

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income 4-PL	Amendment 17
--	---------------------

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraphs 31 and 32 have been amended to include reference to using CCC-933.

Subparagraph 34 A has been amended to remove an FSA Intranet link to a forms package that is no longer applicable.

Subparagraph 187 A has been amended to extend the effective date of the average AGI limitation provisions through 2013 for the listed commodity, price support, crop disaster, livestock assistance, and conservation programs.

Subparagraph 188 C has been amended to clarify and emphasize that wages earned through employment by a farming operation are **not** farm income.

Subparagraph 189 C has been amended to provide an example AGI Enclosure 1 that includes the instructions, terms, and conditions for CPA or attorney certification statements.

Subparagraph 203.7 C has been amended to:

- include a reference to the Average AGI Calculation Worksheet available in ARCT
- require the Average AGI Calculation Worksheet for each AGI compliance review completed
- require CCC-770 CPA or CCC-770 TAX for each AGI compliance review completed.

Subparagraph 204 C has been amended to include the reference to programs administered by NRCS in the request for additional information for AGI compliance purposes.

Subparagraph 402 D has been amended to include that effective for 2011 and subsequent years, State Offices may waive a judgmentally selected EYR for a farming operation conducted by a legal entity **only** with no embedded legal entities as members.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 403 D has been amended to include a revised example producer notification letter for EYR's.

Subparagraph 421 E has been amended to provide the revised FSA Intranet link to the available CCC-900 forms package.

Subparagraph 421 F has been amended to include an example of the revised CCC-900-5.

Subparagraph 441 D has been amended to provide revised instructions for CCC-902EYR, as completed by County Offices.

Subparagraph 441 E has been amended to provide an updated example of a completed CCC-902EYR.

Subparagraph 442 B has been amended to include revised instructions for State Offices in the completion and submission of CCC-902EYR that summarize the results of EYR's completed for the indicated year on selected farming operation in the State.

Paragraphs 476 through 479 have been added to provide the purpose and instructions for using EYRT to record all review findings, recommendations, and conclusions for the 2009 and subsequent years' payment eligibility and payment limitation compliance purposes.

Exhibit 2 has been amended to include:

- a note in the definition of Average Adjusted Gross Farm Income to emphasize that wages earned through employment by a farming operation are **not** farm income
- the definition of EYRT.

Exhibit 21 has been amended to include the following:

- CCC-770 CPA, which replaces the CL-1 Checklist
- CCC-770 TAX, which replaces the CL-2 Checklist.

Page Control Chart		
TC	Text	Exhibit
5-8	2-31 through 2-34 2-37, 2-38 6-3 through 6-6 6-6.3, 6-6.4 (add) 6-6.5, 6-6.6 6-42.5, 6-42.6 6-51, 6-52 8-3 through 8-14 8-33, 8-34 8-53 through 8-100 8-101 through 8-118 (add)	1, pages 1, 2 page 3 2, pages 3-6 3, page 1 21, pages 1-4

Table of Contents (Continued)

Page No.

Part 6 Adjusted Gross Income (AGI)

186	Average AGI Limitations	6-1
187	Applying Average AGI Limitations	6-3
188	AGI Definitions and Determinations	6-5
189	Average AGI Compliance Certification	6-6.3
190	Rules for Special Cases.....	6-9
191	Determining AGI and Average AGI.....	6-11
192	Average AGI Limitations and Payment Eligibility	6-15
193	Average AGI Compliance Reviews.....	6-17
194	Commensurate Reductions	6-19
195	Average AGI and NRCS Programs	6-20
196	Waiving Average AGI Limitation for Conservation Programs Only.....	6-21
197	Calculating Average AGI for 2009 and Subsequent Years	6-23
198	(Withdrawn--Amend. 12)	
199	Verifying Average AGI Certifications.....	6-29
200	Disclosing Information	6-30
200.5	Average AGI Compliance Certification and Consent to Disclosure of Tax Information	6-34
201	CCC-929, Average Adjusted Gross Income (AGI) Supplemental	6-37
202	Review and Validation Process	6-38
203	Average AGI Compliance Reports	6-39
203.4	Reconciliation Process of Participants and CCC-931 or CCC-933	6-39
203.5	Average AGI Amounts Are Above Threshold Levels.....	6-41
203.6	Average AGI Amounts at or Below Threshold Levels.....	6-41
203.7	FSA Review and Compliance Determinations	6-42
203.8	Average AGI Compliance Review Process	6-43
203.9	Payment Refunds and Collections	6-47
204	Notification Letters for AGI Compliance	6-49
205	(Reserved)	

Part 7 Payment Eligibility and Payment Limitation Determinations

Section 1 COC Responsibilities

206	COC Determinations.....	7-1
207	Completing CCC-903's	7-3
208	COC Requirements to Make Timely Determinations.....	7-9
209-215	(Reserved)	
216	Redelegating Authority.....	7-17
217	Relief and Incorrect Determinations.....	7-18
218-225	(Reserved)	

Table of Contents (Continued)

Page No.

Part 7 Payment Eligibility and Payment Limitation Determinations (Continued)

Section 2 County Office Responsibilities

Subsection 1 Multiple State and County Producers

226	Responsibilities of County Office Receiving CCC-902	7-25
227	Control County Responsibilities	7-26
228	Interaction Between Counties	7-27
229	Producers With Multiple State Interests	7-29
230-235	(Reserved)	

Subsection 2 State Office Determinations

236	Required State Office Determinations	7-41
237	Required Documentation	7-44
238-240	(Reserved)	

Subsection 3 Notifying Producers of Determinations

241	Notifying Producers of COC Determinations	7-51
242	Payment Eligibility and Payment Limitation Determinations	7-52
243	Default Determinations	7-53
244	Proper Determinations	7-54
245	Notification Letters	7-56
246-250	(Reserved)	

Subsection 4 Filing

251	Filing Payment Limitation Documentation	7-65
252-255	(Reserved)	

Section 3 DD Responsibilities

256	Monitoring COC Determinations	7-71
257	Corrective Actions	7-73
258	DD Disagreement With COC Determinations	7-74
259, 260	(Reserved)	

Section 4 STC Responsibilities

261	STC Authority	7-79
262	State Office Specialist Responsibilities	7-81
263-265	(Reserved)	

Section 5 National Office Responsibilities

266	General Responsibilities	7-87
267-400	(Reserved)	

Table of Contents (Continued)

		Page No.
Part 8	End of Year Reviews for 2009 and Subsequent Years	
Section 1	Selections and Notifications	
401	Responsibilities of County Office Receiving CCC-902	8-1
402	Selection Process	8-2
403	Producer Notification.....	8-4
404-410	(Reserved)	
Section 2	Documentation	
411	Required Documentation	8-15
412	Failure to Provide Documentation	8-18
413, 414	(Reserved)	
Section 3	Conducting Reviews	
415	Responsibilities	8-25
416-420	(Reserved)	
421	Completing and Documenting Reviews	8-33
422	(Withdrawn--Amend. 6)	
423-440	(Reserved)	
Section 4	CCC-902EYR's	
441	County Office Action for Submitting CCC-902EYR.....	8-81
442	State Office Action for Submitting CCC-902EYR.....	8-83
443-475	(Reserved)	
Section 5	EYRT System	
476	Introduction.....	8-101
477	Payment Limitation EYRs Screen	8-103
478	EYRT for Entering Participant Information	8-105
479	EYRT for Reports by State and Program Year.....	8-117
480-500	(Reserved)	
Part 9	ARCT	
Section 1	Overview and Access	
501	Introduction.....	9-1
502-510	(Reserved)	

Table of Contents (Continued)

	Page No.
Part 9	
ARCT (Continued)	
Section 2	
AGI Responsibilities	
511 AGI Reconciliation Actions.....	9-21
512 ARCT AGI Reconciliation - Producer Search.....	9-22
513 ARCT AGI Reconciliation - Producer Details	9-25
514 ARCT AGI Reconciliation - Producer Reports	9-27
515-525 (Reserved)	
Section 3	
AGI Compliance Review	
526 AGI Compliance Review Actions	9-51
527 ARCT AGI Compliance Review - Producer Search.....	9-52
528 ARCT AGI Compliance Review - Producer Details	9-54
529 ARCT AGI Compliance Review - Producer Reports	9-56
530-540 (Reserved)	
Section 4	
Tools and Help Guides	
541 ARCT Tools.....	9-71
Exhibits	
1 Reports, Forms, Abbreviations, and Redelegations of Authority	
2 Definitions of Terms Used in This Handbook	
3 Menu and Screen Index	
4 Direct Attribution	
5-7 (Reserved)	
8 IRS-3210, Document Transmittal	
9 Payment Eligibility and Payment Limitations for Disaster Assistance Programs	
10 Impact of Food, Conservation, and Energy Act of 2008 on CRP-1 Payment Eligibility and Payment Limitation	
11 2009 and 2010 Schedule for Average AGI Compliance Actions	
12 2011 and 2012 Schedule for Average AGI Compliance Actions	
13 Example of IRS Letter of Explanation	
13.5 Explanation of the IRS Rejection Message, “Not found on master file”, and Recommended FSA Actions	
14 Memorandum of Agreement	
15-20 (Reserved)	
21 AGI Compliance Review Checklists	
22-29 (Reserved)	
30 ARCT Help Guide	

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, CCC-931, or CCC-933 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, CCC-931, or CCC-933, and Related Forms**

CCC-901, CCC-902, CCC-926, CCC-931, or CCC-933, 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

--All participants in programs subject to the provisions of this handbook are required to submit a completed CCC-902, CCC-926, CCC-931, or CCC-933, and CCC-901, as 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, CCC-931's, or CCC-933'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

31 Filing Requirements (Continued)

--B Forms and Updates (Continued)--

- the contributions of farm inputs of capital, equipment, active personal labor, or active personal management
- the acquisition of farming interests **not** previously disclosed on CCC-902, including the farming interests of a spouse or minor child
- financial status that may affect the 3-year average for the determination of average AGI or other change that affects eligibility under the average adjusted income limitation.

C Documenting Changes

Changes to a farming operation may be documented on 1 of the following, depending upon the nature and extent of the changes:

- a photocopy of the previously filed CCC-902

Note: The producer should initial and date **each** change.

- CCC-902 Continuation

Note: CCC-902 Continuation may be used to document changes affecting owned or leased land in the producer's farming operation.

- a new CCC-902
- a new CCC-901, if membership in an embedded entity changes.

If changes are documented using CCC-902 photocopy or CCC-902 Continuation, the CCC-902 photocopy or CCC-902 Continuation shall **also** be signed and dated by the producer.

Note: If a new CCC-902 is submitted:

- applicable determinations **must** be made and the producer notified according to Part 7
- flag the producer as "awaiting determination" according to 3-PL (Rev. 1), subparagraph 26 B until all determinations are finalized.

32 Documentation

A Introduction

This paragraph provides guidelines on documentation needed to support COC determination.

B Adequate Documentation

COC shall require adequate documentation to support the applicable CCC-902 and CCC-926, *--CCC-931, or CCC-933.--*

Definition: Adequate documentation means whatever documentation is required by the reviewing authority to make proper actively engaged in farming, attribution, and average AGI compliance determinations.

C Documentation Not Required

The reviewing authority should avoid requiring documents that are extremely personal if the determination can reasonably be made without the documents. COC may:

- accept documents with redacted information that is **not** relevant to the actively engaged in farming and average AGI determinations
- accept income tax returns to make the determination if **voluntarily** provided by the producer
- request income tax returns to verify compliance with all average AGI limitations.

D Lease Information

It is **not** anticipated that amounts paid for land leases or equipment leases will be needed unless the equipment or land is leased from another member with an interest in the farming operation.

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>.

* * *

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
		130.5
a general partnership or joint venture	<ul style="list-style-type: none"> • CCC-901 • Automated CCC-902 • CCC-902E • CCC-902E Continuation. 	99
a corporation, LLC, LLP, LP, association, or any other similar legal entity		130.5
		149
		158
an estate		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.

187 Applying Average AGI Limitations

A Programs and Benefits

--[7 CFR 1400.500 (c)] Effective for FY's 2009 through 2013, programs and benefits--
subject to the average AGI limitation provision include the following:

- ACRE
- DCP
- ELAP
- LDP
- LFP
- LIP
- MAL's
- NAP
- SURE
- TAAF
- TAP
- conservation programs and EQIP as specified under the following:
 - Food, Conservation, and Energy Act of 2008, Title I
 - Food Security Act of 1985, Title XII.

187 Applying Average AGI Limitations (Continued)**A Programs and Benefits (Continued)**

The average AGI limitation provision includes all benefits, cost-share payments, easements, and rental payments under programs such as:

- AMA
- AWEP
- CBWP
- CCPI
- CRP
- CSTP
- EQIP
- FRPP
- GRP
- WHIP
- WRP
- any other program this provision is made applicable by statute and regulation.

B Average AGI Limitation Provision Exemptions

The following are **exempt** from the average AGI limitation provision:

- States, counties, political subdivisions, and agencies thereof
- Federally recognized Indian Tribes
- CRP-1's and other multi-year agreements approved and effective **before** October 1, 2008
- payments to vendors for technical services or assistance provided along with programs made applicable by statute or regulation
- payments to an escrow agent or other in similar capacity that is maintaining temporary custody with eventual disbursement to the eligible recipient.

188 AGI Definitions and Determinations

A Definition of AGI

[7 CFR 1400.501] AGI means, for a:

- person, the amount reported to IRS on the appropriate tax filing documents as AGI
- legal entity, the comparable measure according to this handbook.

B Definition of Average AGI for a Person or Legal Entity

Average AGI for a person or legal entity means the average AGI, or comparable measure, of the individual or entity over the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

Note: Exclude any years that the individual or entity did **not** have taxable income.

C Definition of Average Adjusted Gross Farm Income

Average adjusted gross farm income of a person or legal entity means income or benefits derived from the following sources.

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> • cattle, sheep, goats, swine • elk, reindeer, bison, deer • horses • poultry • fish and other aquaculture products used for food • honeybees. 	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> • farmland, ranchland, or forestry land • water or hunting • environmental benefits.
The feeding, rearing, or finishing of livestock.	The rental or lease of land or equipment used for farming, ranching or forestry operations, including water or hunting rights.
Products produced by or derived from livestock.	
Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
The processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy.	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules.
	Production of farm-based renewable energy.
<u>Any other activity related to farming, ranching, or forestry as determined by the Deputy Administrator.</u>	
Any income reported on IRS Schedule F or other schedule used by the person or legal entity to report income from farming, ranching, or forestry operations to IRS.	
The sale of equipment to conduct farm, ranch, or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations, if the average adjusted gross farm income is at least 66.66 percent of the average AGI.	

***--Note:** Wages earned through employment by a farming operation are **not** farm income.--*

188 AGI Definitions and Determinations (Continued)**D Definition of Income From Fishing**

Income from fishing means income derived from catching, taking, harvesting, cultivating, or farming aquatic resources such as fish, shellfish, crustacea, and other aquatic forms of animal or vegetable life according to IRS Publication 595 or other applicable IRS instructions.

E Sources of Income Data

Income from farming, ranching, forestry operations, and related activities is:

- recorded on the IRS Schedule F, Form 4835, or comparable form
- any other schedule as allowed by applicable IRS tax code to report farming, ranching, forestry operations, and related activity income
- reflected in and attached to IRS Form 1040 or other appropriate IRS income tax return filed by the person or legal entity with the IRS for tax purposes.

Income from fishing is:

- recorded on IRS Schedule C, or Schedule C-EZ, as allowed by applicable IRS tax code
- reflected in and attached to IRS Form 1040 or other appropriate IRS income tax return filed by the person or legal entity for IRS tax purposes.

189 Average AGI Compliance Certification**A Required AGI Compliance Certifications for Payment Eligibility**

AGI compliance certifications (CCC-931 or CCC-933, as applicable, items 1 through 4 and 9 through 11) are required for payment eligibility for **all**:

- persons
- legal entities
- interest holders in a legal entity, including embedded entities to the fourth level of ownership interest, regardless of the level of interest held
- members of a general partnership or joint venture, regardless of the number of members
- Indians and Native Americans represented by BIA.

B Certifying Compliance

To comply with the AGI requirement for the applicable crop, program, or FY, a person or legal entity **must** provide the following:

- CCC-931 or CCC-933 applicable to the year that program benefits are requested

Note: In all cases, CCC-931 or CCC-933, as applicable, items 1 through 4 and 9 through 11, **must** be completed and **signed by the person or legal entity subject to AGI compliance** for consent to disclosure of tax information. See paragraph 200.

- documentation showing the person or legal entity is in compliance or a statement for CPA or attorney that the average AGI does **not** exceed the applicable limitation and agreement with all requirements of information disclosure.

189 Average AGI Compliance Certification (Continued)**C Statements From CPA or Attorney**

Statements certifying AGI compliance on behalf of a person or legal entity will only be accepted from licensed CPA's or attorneys and **must** include the following:

- CPA's or attorney's license number
- explanation for the reasons for the statement (see subparagraph D)
- acknowledgement of having reviewed and agrees to:
 - average AGI limitations, definitions, programs involved, and compliance requirements in 7 CFR Part 1400 regulations
 - CPA or attorney has made inquiries and understands the tax years used to calculate the average AGI for applicable years
 - the representations made in the statement may be relied on by the Government to allow program benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for persons associated with the false representations
 - additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to assure that all information filed with USDA by all parties is true, correct, and completed
- relevant information on the most recently filed tax returns for the period in question

189 Average AGI Compliance Certification (Continued)

C Statements From CPA or Attorney (Continued)

- if applicable, a detailed explanation of how the applicable average AGI limitations were not exceeded even though the information on the tax returns indicates otherwise.

***--Note:** The following enclosure that provides instructions, terms, conditions for CPA or Attorney Certification statements **must** be included with the notifications illustrated in subparagraphs D and E.

AGI Enclosure 1

Instructions, Terms, and Conditions for CPA or Attorney Certification Statement

Certification statements will only be accepted from licensed certified public accountants (CPA's) and attorneys. Statements from enrolled agents will **not** be accepted. If a statement is submitted by a CPA or an attorney to certify compliance with an average AGI limitation for which a person or legal entity received notification of possible noncompliance, the statement **must** include the following elements:

- 1) CPA's or attorney's State license identification number.
- 2) Explanation of the reason for the certification statement (see enclosed example).
- 3) Acknowledgement of having read and understood, and agreement to, the terms and conditions of this enclosure (AGI Enclosure 1), including the following:
 - The CPA/attorney acknowledges and agrees to having reviewed and being familiar with the average AGI limitations, definitions, and compliance requirements in 7 CFR Part 1400, with the programs involved, having made such inquiries as are necessary
 - to apprise the CPA/attorney of such matters and understands that the tax years used to calculate the average AGI are the 3 taxable years preceding the most immediately preceding complete taxable year for which program benefits are requested.
 - The representations the CPA/attorney makes in the certification statement may be relied on by the government to allow benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for those persons associated with the false representations.
 - Additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to ensure that all information filed with USDA by all parties is true, correct, and complete.
- 4) Relevant information on the most recently filed tax returns for the period in question.
- 5) If applicable, detailed explanations of how the applicable average AGI limitation(s) was not exceeded even though the information on the tax returns indicate otherwise.

--*

203.7 FSA Review and Compliance Determinations (Continued)**C AGI Compliance Review File for State Office Only**

An AGI Compliance Review File created for each person or legal entity and program year reviewed should contain the following after completing the review:

- all documentation (CPA or attorney statement, or tax information) received from the person or legal entity
- copy of subsidiary print **before** completing the review
- copy of the original AGI certification (CCC-926, CCC-931, CCC-933, or CPA or attorney certification)
- *--copy of the Average AGI Calculation Worksheet (subparagraphs 203.8 C and 541 C)--*
- copy of subsidiary print **after** the SED determination was updated in the web eligibility file, if applicable
- copy of the written notice of determination or completion of the review sent to the person or legal entity.

Note: See Exhibit 21 for * * * AGI Compliance Review Checklists.

204 Example Letters for AGI Compliance (Continued)

C Example With an Attachment Letter for Requesting Additional Information (Continued)

*--

«Name»

Page 2

If copies of Federal tax returns are provided, FSA will evaluate the information and re-calculate the average AGI. FSA will provide written notice of the results of this review.

If your average AGI exceeded the applicable limits because you filed a joint tax return, but you would have been eligible if you had filed separately, you may provide a CPA or attorney statement certifying that your income, if you had filed separately, would have been within the AGI limits. If a CPA or

attorney certification is not provided, the AGI shown on your joint tax return will be considered your AGI for Farm Service Agency and/or Natural Resources Conservation Service program purposes, as applicable.

If a signed statement from a CPA or attorney is provided, the statement **must** include all of the items as shown in the sample letter.

A sample letter with instructions are enclosed for your CPA or attorney's reference.

[Enclose sample notification letters as shown in subparagraphs 189 D or 189 F, as appropriate.]

To avoid any delay or interruption in program payments and benefits, please provide all requested information to FSA within 30 days of the date of this letter. Information should be mailed to:

[Insert State Office Address.]

Failure to timely respond to this notice will result in a determination of ineligibility for all *[insert applicable program year 2009 through 2012]* program benefits. Please be assured that all information provided will be held strictly confidential. If you have questions or concerns, please contact *[insert State Office contact number for AGI]*.

Thank you for your cooperation.

Sincerely,

[Name]

State Executive Director

Enclosures

--*

402 Selection Process (Continued)

D Additional Cases

In addition to cases that are judgmentally selected, or otherwise required to be selected, the following cases will also be selected for end-of-year review:

- any case which the reviewing authority has reason to believe the farm operating plan was not followed as represented
- any cases considered necessary by a State Office representative to maintain program integrity.

E Timing End-of-Year Reviews

Complete end-of-year reviews by the date established by STC, according to paragraph 261.

F Waiver Authority for State Offices

State Offices may waive judgmentally selected end-of-year reviews under the following circumstances:

- farming operations involving **only** a husband and wife
- farming operation was previously reviewed in the last 3 years, did **not** receive an adverse determination, **and** the reviewing authority has determined that there have been no changes that affect the original determinations
- farming operations with **all** land meeting the landowner exemption
- *--for 2011 and subsequent years, farming operation conducted by a legal entity with no embedded legal entities as members.--*

Notes: State Offices shall include the number of any waived judgmentally selected reviews in the remarks sections of the final CCC-902EYR.

Any waiver request not within State Offices' approval authority may be sent to DAFP, along with adequate justification to support the request.

***--403 Producer Notification**

A Overview

After being notified, the producer is responsible for providing requested documents in a timely manner. This paragraph contains information to be included in the producer notification letter and explains what the producer must do after receiving the notification letter.

B Producer Notification

Producers who are required to submit documents shall be notified about their selection for end-of-year review no later than 90 calendar days before the end-of-year review completion date established by STC according to paragraph 261.

The notification letter shall contain the following:

- purpose of the end-of-year review
- documents required to be submitted
- the requirement to submit documents to the County Office within 30 calendar days
- actions that will be taken if documents are not submitted
- notification that the producer will receive results of the end-of-year review when completed.

C Producer Responsibility

It is the responsibility of the producer to submit requested documents within 30 calendar days from the date requested.

Note: It is recognized that some requested documents, such as crop sales documents, may not be available when the producer submits other documentation. The producer must submit all documents that are available at the time. The reviewing authority shall schedule followup action to obtain additional information if necessary.--*

403 Producer Notification (Continued)

***--D Example Notification Letter**

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

<p>[Letterhead]</p> <p>[Date]</p> <p><i>Wandering Brook, Inc. Fred Friendly, President 777 Lucky Day Rd Some City US 55555-1234</i></p> <p>Dear Mr. Friendly:</p> <p>Your farming operation has been selected for a 20XX payment limitation and payment eligibility end-of-year review.</p> <p>End of year reviews are conducted annually on a number of farming operations and producers that are participants in various FSA administered programs. Initial payment eligibility and payment limitation determinations are made based on the producer's certification of how the farming operation will be conducted for the year.</p> <p>To ensure overall program integrity, it is necessary that the producer's farming operation be reviewed and documented. Accordingly, your farming operation will be reviewed to determine whether the operation was conducted in 20XX as represented on CCC-902, Farm Operating Plan, on which the initial payment eligibility and payment limitation determinations were based.</p> <p>[Delete the following paragraphs that are not applicable to the producer.]</p> <p>To verify capital contributions, the following documents and information are required (<i>please use this letter as a checklist when responding to this request</i>):</p> <ul style="list-style-type: none"> <input type="checkbox"/> operating loan documents <input type="checkbox"/> income and expense ledgers <input type="checkbox"/> canceled checks for expenditures, such as: <ul style="list-style-type: none"> <input type="checkbox"/> fertilizer <input type="checkbox"/> seed <input type="checkbox"/> fuel <input type="checkbox"/> equipment leases and purchases <input type="checkbox"/> land leases and purchases <input type="checkbox"/> hired labor and management <input type="checkbox"/> any other farming operation expenditures. 	<p><i>Any County FSA Office 502 Spotcheck Ave Some City US 55555-1234</i></p>
---	---

--*

403 Producer Notification (Continued)

*--D Example Notification Letter (Continued)

To verify land contributions, documents and information are required as follows:

- lease agreements
- sales contracts
- property tax statements
- canceled checks associated with land.

To verify equipment contributions, documents and information are required as follows:

- equipment listings
- lease agreements
- purchase contracts
- canceled checks associated with equipment.

To verify labor contributions, documents and information are required as follows:

- documentation of who provided actual labor contributions and type of labor
- employee time sheets or books, if applicable
- canceled checks for hired labor, if applicable.

To verify management contributions, documents and information are required as follows:

- documentation of who provided actual management contributions and specific duties
- canceled checks for hired management
- documents showing signature of individual involved in management, such as:
- canceled checks for significant purchases
- loan documents
- lease and purchase agreements
- sales documents.

Other documents and information necessary to make a complete review includes, but is not limited to, the following:

- crop sales documents
- warehouse ledgers
- gin ledgers
- corporation papers, including documentation of share ownership

--*

403 Producer Notification (Continued)

*--D Example Notification Letter (Continued)

- partnership agreements or articles of partnership
- trust agreements
- legal documents and contracts
- accounting records
- court records
- crop insurance documents.

Please provide the requested information to this office within 30 calendar days of the date of this letter. We will photocopy and return the documents and written information you submit. Copies of the documents and information will be forwarded to the individual(s) who will be conducting the actual review and documenting their findings. The (*Any County FSA Committee or State FSA Office, as applicable*) will then make determinations based on findings supported by the documents and information you provide. Therefore, it is important that you provide complete and accurate documentation.

You may also be contacted for an interview to obtain additional information and clarification concerning contributions to the farming operation and transactions about the farming operation. During the interview, you may be requested to provide access to additional records.

Upon completion of the review, you will be notified of the results of the review and any further action required.

If, within 30 calendar days of the date of this letter, you have **not** provided adequate documentation for the reviewing authority to make its findings and determinations, you will be:

- determined ineligible for the 20XX crop, program or fiscal year benefits
- notified of the revised determination, and given appeal rights
- required to refund payments earned as a result of the previous payment eligibility and payment
- limitation determination.

Thank you for your cooperation. If you have any questions, please contact this office.

Sincerely,

James E. Cricket
County Executive Director

--*

404-410 (Reserved)

--421 Completing and Documenting Reviews*A Information Collection and Comparison**

An end-of-year review requires the following actions:

- collection of copies of all program applications, contracts, payment eligibility documentation, and payment limitation documentation submitted by the producer for the applicable year
- collections of specific business-related documents and related information for the producer's farming operation for the applicable year
- comparison of both sets of information to the rules and regulations governing payment eligibility and payment limitation for the program year subject to review.

B Results and Findings

The results and findings of the review are the basis to determine whether the producer is either of the following:

- eligible, either all or in part, for the program payments and benefits received or requested
- ineligible for the program payments and benefits received or requested for the year or years subject to the review.

C Review Activities

All review actions and activities are to be recorded with using the 5-part CCC-900 package, which includes the following:

- CCC-900-1
- CCC-900-2
- CCC-900-3
- CCC-900-4
- CCC-900-5.--*

421 Completing and Documenting Reviews (Continued)

D Review Record

The 5-part CCC-900 package:

- must be completed for each producer selected for review
- becomes the permanent record of the review
- is the basis for the recommendations to the reviewing authority for subsequent determinations for payment eligibility and payment limitation.

E Availability and Using CCC-900 Package

All 5 parts of the CCC-900 package:

- *--are available online at
http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp--*
- are online fillable
- may be completed manually.

421 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

*--

This form is available electronically.

<p>CCC-900-5 U.S. DEPARTMENT OF AGRICULTURE (05-16-13) Commodity Credit Corporation</p> <p style="text-align: center;">PAYMENT ELIGIBILITY/LIMITATION SUMMARY OF FINDINGS AND RECOMMENDATIONS</p>	<p>A. Producer Name Beringer Partners</p> <p>B. State and County Office Name Johnson County FSA Office, TX</p> <p>C. Program Year Reviewed <input checked="" type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input type="checkbox"/> 2013</p>
---	--

Complete this form to summarize findings for the initial reviewing authority.

Factor	YES	NO	Questioned	N/A	Handbook or Worksheet Reference
1. CCC-902 followed.	X				4-PL, Parts 2, 3, and 4
2. Significant contribution of land.	X				4-PL, Pars. 61 and 74
3. Significant contribution of capital.	X				4-PL, Pars. 61 and 72
4. Significant contribution of equipment.	X				4-PL, Pars. 61 and 73
5. Significant contribution of "left-hand" combination.	X				4-PL, Pars. 61, 71, and 77
6. Significant contribution of active personal labor.		X			4-PL, Pars. 61 and 75
7. Significant contribution of active personal management.	X				4-PL, Pars. 61 and 75
8. Significant contribution of "right-hand" combination.		X			4-PL, Pars. 61, 71, and 77
9. Share of profits and losses commensurate with contributions.	X				4-PL, Pars. 61 and 78
10. Contributions at risk.	X				4-PL, Pars. 61 and 79
11. Foreign person rule met.				X	4-PL, Pars. 106-111
12. Spousal provision requirements met.				X	4-PL, Par. 116
13. Common attribution determination correct.				X	4-PL, Par. 179
14. Minor child determination correct.				X	4-PL, Par. 117
15. For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management: <ul style="list-style-type: none"> • Performed on a regular basis • Identifiable and documentable • Separate and distinct from contributions of other partners, stockholders, or members? 				X	4-PL, Pars. 147 and 148

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

--*

421 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

*--

CCC-900-5 (05-16-13)		Page 2 of 2	
Producer Name: <i>Beringer Partners</i>			
16. Number of members of the farming operation claiming to make a significant contribution of active personal labor.			0
17. Number of members of the farming operation determined to have made a significant contribution of active personal labor.			0
18. Number of members of the farming operation claiming to make a significant contribution of active personal management.			4
19. Number of members of the farming operation determined to have made a significant contribution of active personal management.			4
	YES	NO	N/A
20. "Actively engaged in farming" requirements met. If "YES", select the following factors or findings that explains how: <input checked="" type="checkbox"/> Land <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Equipment <input type="checkbox"/> Active personal labor <input checked="" type="checkbox"/> Active personal management <input type="checkbox"/> Landowner exemption	X		
21. Cash-rent tenant rule met. If "YES", select the following factors or findings that explains how: <input type="checkbox"/> Active personal labor <input checked="" type="checkbox"/> Equipment <input checked="" type="checkbox"/> Active personal management	X		
22. Substantive change rule met. If "YES", select the following factors or findings that explains how: <input type="checkbox"/> Family member <input type="checkbox"/> Land rental change (landowner only; cash to share rent) <input type="checkbox"/> Increase of base acres of 20 percent or more <input type="checkbox"/> Ownership change of land or equipment by sale or gift to new member <input type="checkbox"/> Addition of equipment to the farming operation			X
23. Were the initial determinations correct? If "YES", go to Item 27. If "NO", provide a detailed explanation of why not in Item 29.	X		
24. If discrepancies were found, will the discrepancies result in an adverse determination? If "YES", go to Item 25. If "NO", provide a detailed explanation of why not in Item 29.			
25. If discrepancies or adverse findings were made, did the findings include scheme or device, fraudulent representations, or other actions to circumvent payment eligibility or payment limitation provisions?			
26. Total dollar amount of payments affected by the discrepancy or adverse findings.			\$
27. Did the producer provide the requested documentation to complete the review?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
28. Is the review complete?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
29. Recommendations The review team recommends that the determinations of record be affirmed and the farming operation remains eligible for all 2009 program payments and benefits subject to limitation.			
D. Signature of Reviewing Authority or Review Team Member <i>/s/ John Doe</i>		E. Date (MM-DD-YYYY) 05-24-2013	
Submitted to the COC or STC for review and determinations.			
F. Date Submitted (MM-DD-YYYY): 05-24-2013			

--*

422 (Withdrawn--Amend. 6)

423-440 (Reserved)

Section 4 CCC-902EYR's

441 County Office Action for Submitting CCC-902EYR

A Overview

This section provides instructions for preparing CCC-902EYR.

This paragraph instructs County Offices to submit CCC-902EYR's to the State Office.

B Submission Date

STC shall establish a date or dates for County Offices to submit CCC-902EYR's to the State Office for review (paragraph 261).

C Submission Format

County Offices shall use CCC-902EYR to report end-of-year reviews to the State Office.

Note: On CCC-902EYR, item 10, "Dollar Amount", record the total actual and projected amount of payments or benefits for which the producer is known to be ineligible as a result of the end-of-year review.

***--D "Remarks" Section**

Include the following in the "Remarks" section:

- all EYR worksheets have been completed
- EYR results entered in EYRT
- all waivers accounted for in EYRT.--*

441 County Office Action for Submitting CCC-902EYR (Continued)

E Example of CCC-902EYR

Following is an example of CCC-902EYR.

*--

This form is available electronically.

<p>CCC-902EYR U.S. DEPARTMENT OF AGRICULTURE (03-15-10) Commodity Credit Corporation</p> <p style="text-align: center;">End-of-Year Report of Payment Limitation Review</p> <p style="text-align: center;">(RPT-I-00-PL-10-01R)</p>		<p>1. Reporting Office (Counties include State) Main County, ST</p>	
		2. Reporting Date (MM-DD-YYYY) 10-15-2013	3. Year Reported 2011
		4. Report Status	
		Progress Report <input type="checkbox"/>	Revised Report <input type="checkbox"/>
		Negative Report <input type="checkbox"/>	Final Report <input checked="" type="checkbox"/>

Type of Selection	Number of Reviews		C. Number of Discrepancies Found (If any, complete Items 8, 9 & 10)
	A. Selected	B. Completed	
5. Judgmental (Required by DAFP)	6	6	1
6. Required spot check	0	0	0
7. Additional cases selected by reviewing authority	6	6	2

Explanation of Discrepancies - Attach additional sheets if needed. Insert office name on attachments.

8. ID Number (Last 4 Digits)	9. Discrepancy Found	10. Action Taken	11. Dollar Amount
0000	Not actively engaged in farming	Provided written notice of determination Receivables established	\$ 10,000
1000	Cash rent tenant rule not met	Provided written notice of determination Receivables established	\$ 5,000
2000	Member contribution requirements not met	Provided written notice of determination Receivables established	\$ 4,000
			\$
			\$
			\$
			\$

12. Remarks
All EYR worksheets completed.
EYR results entered in EYRT for 2011
All 2011 DAFP selections waived are accounted for in EYRT.

13A. Signature of CED for County Report, SED for State Report	13B. Date (MM-DD-YYYY) 10-15-2013
---	--------------------------------------

--*

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	*--Enter the following in the "Remarks" section: <ul style="list-style-type: none"> • all EYR worksheets were completed • EYR results entered in EYRT for each review • all waivers entered and accounted for in EYRT.--*
5	Send the State Office CCC-902EYR to PECD. Negative reports are required. * * *

C Example of CCC-902EYR

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

443-475 (Reserved)

--Section 5 EYRT System*476 Introduction****A EYRT**

EYRT means a web-based system:

- in which National, State, and County Office users can record all findings, recommendations, and conclusions from EYR's completed on selected farming operations for 2009 and subsequent years' payment eligibility and payment limitation compliance purposes
- that provides reporting and summarization capabilities for EYR findings, determinations, and related information recorded for the farming operations reviewed.

B EYRT Design

EYRT was designed for the following:

- recording and tracking, by participant/farming operation and program year, all EYR review findings, results, and determinations
- as source data for status reports on the completion and results of EYR's
- providing information to use when evaluating the application and the effectiveness of current payment eligibility and payment limitation provisions.

C Accessing EYRT and Versions Available

EYRT is accessible from the Payment Limitation EYR's Share Point site at https://fsa.sc.egov.usda.gov/mgr/dafp/PECD/PL_EYR/default.aspx with the following 2 versions:

- Windows 7/Office 2010 users **only**
- Windows XP/Office 2007 users **only**.

Note: Users shall use the version compatible with their computer operating system.--*

***--476 Introduction (Continued)**

D Content of EYRT Database

After the initial construction of EYRT, the database was prepopulated with the following:

- 2009 DAFP EYR selections
- 2010 DAFP EYR selections
- 2011 DAFP EYR selections.

Before nationwide deployment, results were entered for completed, DAFP-selected 2009 and 2010 EYR's.

E State Office Action

For the 2009 and 2010 EYR records, State Offices are encouraged to do the following:

- review the records for accuracy
- update the preloaded records, if necessary
- enter records for additional EYR selections made
- for all incomplete EYR's, enter results as EYR's are completed, if applicable.--*

*--477 Payment Limitation EYRs Screen

A Accessing the Payment Limitation EYRs Screen

The Payment Limitation EYRs Screen allows State and County Office users to access all options available in EYRT. To access the following Payment Limitation EYRs Screen, go to https://fsa.sc.egov.usda.gov/mgr/dafp/PECD/PL_EYR/default.aspx.

USDA United States Department of Agriculture
Farm Service Agency

Payment Limitation EYRs

DAFP CEPD **PECD** PSD

View All Site Content

Documents

- Shared Documents

Lists

- Calendar
- Tasks

Discussions

- Team Discussion

Sites

People and Groups

Recycle Bin

DAFP > PECD > Payment Limitation EYRs

Payment Limitation End of Year Reviews (EYRs)

Shared Documents

Type	Name	Modified By
Folder	PL EYR Materials	FSA, Washington, DC

Add new document

EYR Tracking

Type	Name	Description	Modified
Document	EYRsubmit_2009_2010_update	FY2009 and 2010 Status Updates only. Only update if contacted by PECD.	4/11/2013 11:26 AM
Document	EYRsubmit_v2.0_Office2010	FY2011 EYR Tracking (Windows 7/Office 2010 users only)	4/12/2013 12:30 PM
Document	EYR_StateSelectionRpt_vOffice2007	Report of 2011 EYR DAFP Selections (Windows XP/Office 2007 users only)	4/8/2013 2:22 PM
Document	EYR_StateSelectionRpt	Report of 2011 EYR DAFP Selections (Windows 7/Office 2010 users only)	4/8/2013 2:22 PM

--*

--477 Payment Limitation EYRs Screen (Continued)*B Payment Limitation EYRs Screen Content**

On the Payment Limitation EYRs Screen, under the heading:

- **“Shared Documents”**, is folder **“PL EYR Materials”** that contains the following letters and forms:
 - EYR notification (subparagraph 403 D)
 - payment eligibility and limitation determinations made by the appropriate reviewing authority following completing EYR’s (subparagraphs 245 D and E)
 - the complete 5-part CCC-900 EYR package (subparagraph 421 E)
 - CCC-902EYR (subparagraph 441 E)
- **“EYR Tracking”**, are the following folders:
 - **“EYRsubmit_...”**, for loading 2009, 2010, and/or 2011, as applicable, EYR review information for DAFP selections and additional selections made by the appropriate review authority or State Office representative
 - **“EYR_StateSelectionRpt”**, or a report of DAFP selections for the selected program year and State.

Note: Only the 2011 report is currently available.--*

***--478 EYRT for Entering Participant Information**

A “EYRsubmit...” Option

On the Payment Limitation EYRs Screen, under “EYR Tracking”, when users CLICK “EYRsubmit...”, as follows, users can enter, revise, or update EYR results previously entered for completed EYR’s.

Note: Users shall use the version compatible with their computer operating system.

EYR Tracking			
Type	Name	Description	Modified
	EYRsubmit_2009_2010_update	FY2009 and 2010 Status Updates only. Only update if contacted by PECD.	4/11/2013 11:26 AM
	EYRsubmit_v2.0_Office2010	FY2011 EYR Tracking (Windows 7/Office 2010 users only)	4/12/2013 12:30 PM
	EYR_StateSelectionRpt_vOffice2007	Report of 2011 EYR DAFP Selections (Windows XP/Office 2007 users only)	4/8/2013 2:22 PM
	EYR_StateSelectionRpt	Report of 2011 EYR DAFP Selections (Windows 7/Office 2010 users only)	4/8/2013 2:22 PM

The following End of Year Review Tracking Main Menu Screen will be displayed.



End of Year Review Tracking

United States Department of Agriculture
Farm Service Agency










Main Menu

Use this form to enter participant information including waiver determinations

Use this form to record summary results of End of Year Reviews

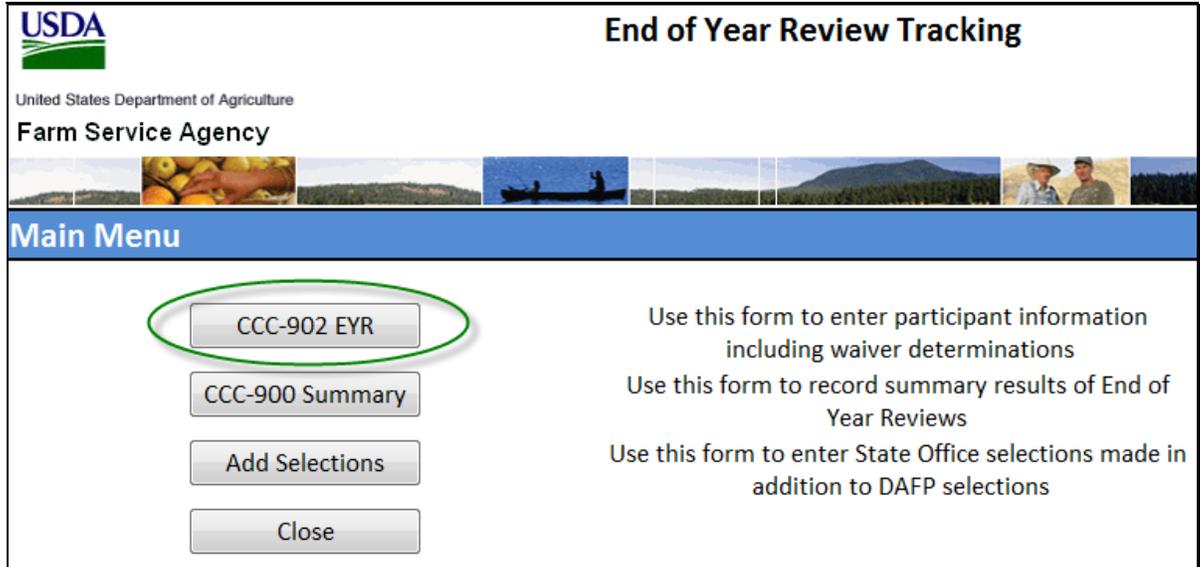
Use this form to enter State Office selections made in addition to DAFP selections

--*

***--478 EYRT for Entering Participant Information (Continued)**

B “CCC-902 EYR” Option (Continued)

If on the following End of Year Tracking Main Menu, users click “CCC-902 EYR”, users can enter farming operation information including any waivers of DAFP-selected EYR’s.



--*

*--478 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

The following End of Year Review Tracking CCC-902EYR (Individual Case Reporting) Screen will be displayed. Information on all EYR waivers approved by the State Office and/or DAFP **must** be entered. Using the “State”, “County”, and “Producer Name” make applicable selections, in “Review FY” box, enter year, and CLICK “Save”.

The screenshot shows the USDA End of Year Review Tracking interface. At the top left is the USDA logo and the text "United States Department of Agriculture Farm Service Agency". The main title is "End of Year Review Tracking". Below this is a decorative banner with various agricultural images. The form is titled "CCC-902EYR (Individual Case Reporting)". It contains several input fields: "State:" (dropdown), "County:" (dropdown), "Producer Name:" (dropdown), "Review FY:" (text box), "Producer Name:" (text box), and "Business Type:" (dropdown with a red asterisk). Below these is the instruction "Answer all applicable questions." followed by "Identify the type of selection used to request an EYR of this operation:" (dropdown with a red asterisk). A question "Was a waiver used to cause operation to be exempt from review?" has radio buttons for "Yes" and "No", with "No" selected. Below this is "If yes, identify the type of waiver used to exempt operation from an EYR:" (dropdown). At the bottom are two buttons: "< Main Menu" and "Save".

--*

***--478 EYRT for Entering Participant Information (Continued)**

B “CCC-902 EYR” Option (Continued)

After selecting the State, county, and producer name, and clicking “Save”, the End of Year Review Tracking CCC-902EYR (Individual Case Reporting) Screen will be redisplayed with entries populated based on selections.

From the “Business Type” drop-down list, users **must** select the applicable business.

USDA
United States Department of Agriculture
Farm Service Agency

End of Year Review Tracking

CCC-902EYR (Individual Case Reporting)

State: Arizona

County: Maricopa

Producer Name: [Empty]

Review FY: 2011

Producer Name: [Empty] **Business Type:** Select... *

Answer all applicable questions.

Identify the type of selection used to request an EYR of this operation:

Individual Case Reporting

Was a waiver used to cause operation to be exempt from review? Yes No

--*

*--478 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

From the “Identify the type of selection used to request an EYR of this operation” drop-down list, users **must** select the type of EYR.

USDA
United States Department of Agriculture
Farm Service Agency

End of Year Review Tracking

CCC-902EYR (Individual Case Reporting)

State: Arizona

County: Maricopa

Producer Name:

Review FY: 2011

Producer Name: Business Type: Select... *

Answer all applicable questions.

Identify the type of selection used to request an EYR of this operation: Select... *

Was a waiver used to cause operation to be exempt from review?

Reviewing Authority

--*

*--478 EYRT for Entering Participant Information (Continued)

B "CCC-902 EYR" Option (Continued)

Answer the question, "Was a waiver used to cause operation to be exempt from review?" by clicking the applicable "Yes" or "No" radio button.

If EYR selected was waived, from the "If yes, identify the type of waiver used to exempt operation from an EYR" drop-down list, select the reason for waiver. CLICK "Save" after completing the required entries.

USDA
United States Department of Agriculture
Farm Service Agency

End of Year Review Tracking

CCC-902EYR (Individual Case Reporting)

State:

County:

Producer Name:

Review FY:

Producer Name: Business Type:

Answer all applicable questions.

Identify the type of selection used to request an EYR of this operation:

Was a waiver used to cause operation to be exempt from review?
 Yes No

If yes, identify the type of waiver used to exempt operation from an EYR:

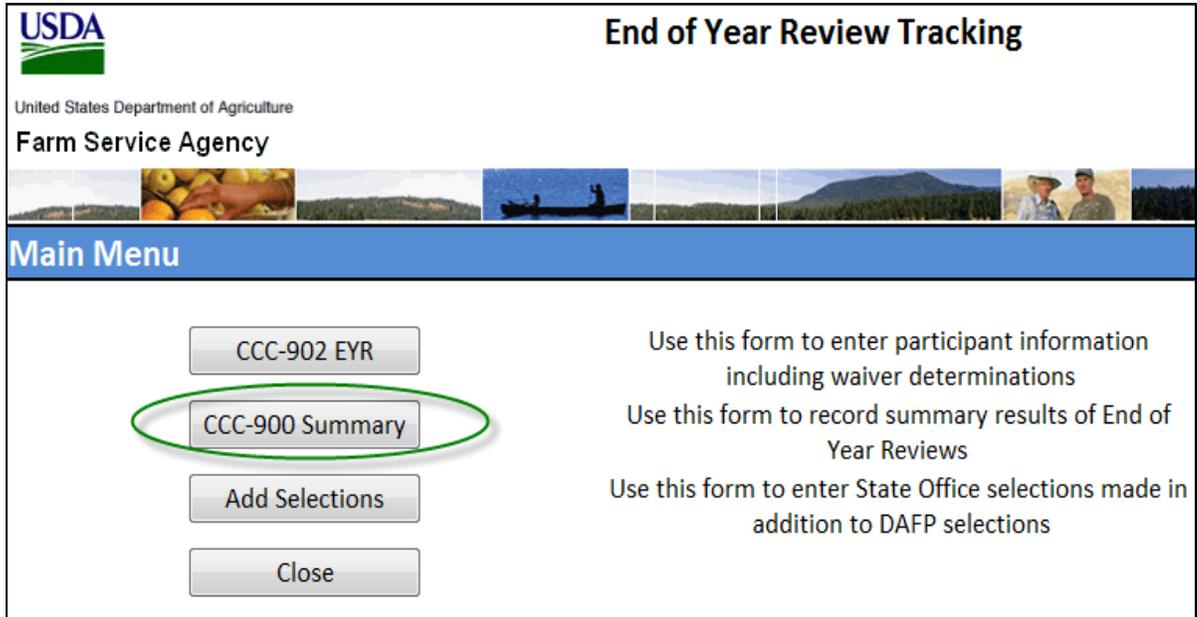
Husband and Wife
 Landowner Provisions
 Previously Reviewed
 Entity with no Embedded E

--*

*--478 EYRT for Entering Participant Information (Continued)

C “CCC-900 Summary” Option

If on the following End of Year Tracking Main Menu, users click “CCC-900 Summary”, users can record information and summary results for EYR’s.



--*

***--478 EYRT for Entering Participant Information (Continued)**

C “CCC-900 Summary” Option (Continued)

The following End of Year Review Tracking CCC-900 Summary (Individual Case Reporting) Screen will be displayed. Enter all information collected and used to support the determination of whether the farming operation subject to EYR was eligible or ineligible for program benefits and payments. This State, county, producer name, and review year will be prefilled based on subparagraph B entries.

After completing each item, CLICK “Save” to record EYR results in EYRT.

Note: This screen will **not** be available to enter information if EYR is waived.



End of Year Review Tracking

United States Department of Agriculture
Farm Service Agency







CCC-900-5 Summary (Individual Case Reporting)

State: <input type="text" value="Arizona"/>	County: <input type="text"/>
Producer Name: <input type="text"/>	Review FY: <input type="text" value="2011"/>
<i>Answer all questions</i>	Yes No n/a
1. CCC-902 followed	<input type="radio"/> <input type="radio"/> <input type="radio"/>
2. Significant contribution of land	<input type="radio"/> <input type="radio"/> <input type="radio"/>
3. Significant contribution of capital	<input type="radio"/> <input type="radio"/> <input type="radio"/>
4. Significant contribution of equipment	<input type="radio"/> <input type="radio"/> <input type="radio"/>
5. Significant contribution of "left-hand" combination	<input type="radio"/> <input type="radio"/> <input type="radio"/>
6. Significant contribution of active personal labor	<input type="radio"/> <input type="radio"/> <input type="radio"/>
7. Significant contribution of active personal management	<input type="radio"/> <input type="radio"/> <input type="radio"/>
8. Significant contribution of "right-hand" combination	<input type="radio"/> <input type="radio"/> <input type="radio"/>
9. Share of profits and losses commensurate with contributions	<input type="radio"/> <input type="radio"/> <input type="radio"/>
10. Contributions at risk	<input type="radio"/> <input type="radio"/> <input type="radio"/>
11. Foreign person rule met	<input type="radio"/> <input type="radio"/> <input type="radio"/>
12. Spousal provision requirements met	<input type="radio"/> <input type="radio"/> <input type="radio"/>
13. Common attribution determination correct	<input type="radio"/> <input type="radio"/> <input type="radio"/>
14. Minor child determination correct	<input type="radio"/> <input type="radio"/> <input type="radio"/>
15. For a legal entity, such as a corporation, LLC,	<input type="radio"/> <input type="radio"/> <input type="radio"/>

--*

*--478 EYRT for Entering Participant Information (Continued)

C "CCC-900 Summary" Option (Continued)

16. Number of members in the farming operation claiming to make a significant contribution of active personal labor				0
17. Number of members in the farming operation determined to make a significant contribution of active personal labor				0
18. Number of members in the farming operation claiming to make a significant contribution of active personal management				0
19. Number of members in the farming operation determined to make a significant contribution of active personal management				0
20. "Actively Engaged in Farming" Requirements Met <ul style="list-style-type: none"> If Yes, select the following factors or findings that explains how: 	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input type="checkbox"/> Land <input type="checkbox"/> Capital <input type="checkbox"/> Equipment <input type="checkbox"/> AP Labor <input type="checkbox"/> AP Management <input type="checkbox"/> Landowner Exemption			
21. Cash-rent tenant rule met <ul style="list-style-type: none"> If Yes, select the following factors or findings that explains how: 	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input checked="" type="radio"/> n/a <input type="checkbox"/> AP Labor or <input type="checkbox"/> Equipment and <input type="checkbox"/> AP Management			
22. Substantive change requirements met <ul style="list-style-type: none"> If yes, select the following factors or findings that explains how: 	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input checked="" type="radio"/> n/a <input type="checkbox"/> Family Member <input type="checkbox"/> Land rental change <input type="checkbox"/> Increase base acres <input type="checkbox"/> Ownership change of land or equip sale/gift <input type="checkbox"/> Addition of equip to farming operation			
23. Were the initial determinations correct?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
24. If discrepancies were found, did they result in an adverse determination?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
25. Adverse determination included Scheme and Device, fraud, or other actions to circumvent regulations	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
26. Total dollar amount of payments affected by the discrepancy?				\$0
27. Did producer provide requested documentation to complete the review?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
28. Review is complete:	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
<input style="margin-right: 20px;" type="button" value=" < Main Menu "/> <input style="margin-right: 20px;" type="button" value=" Save "/>				

--*

*--478 EYRT for Entering Participant Information (Continued)

C "CCC-900 Summary" Option (Continued)

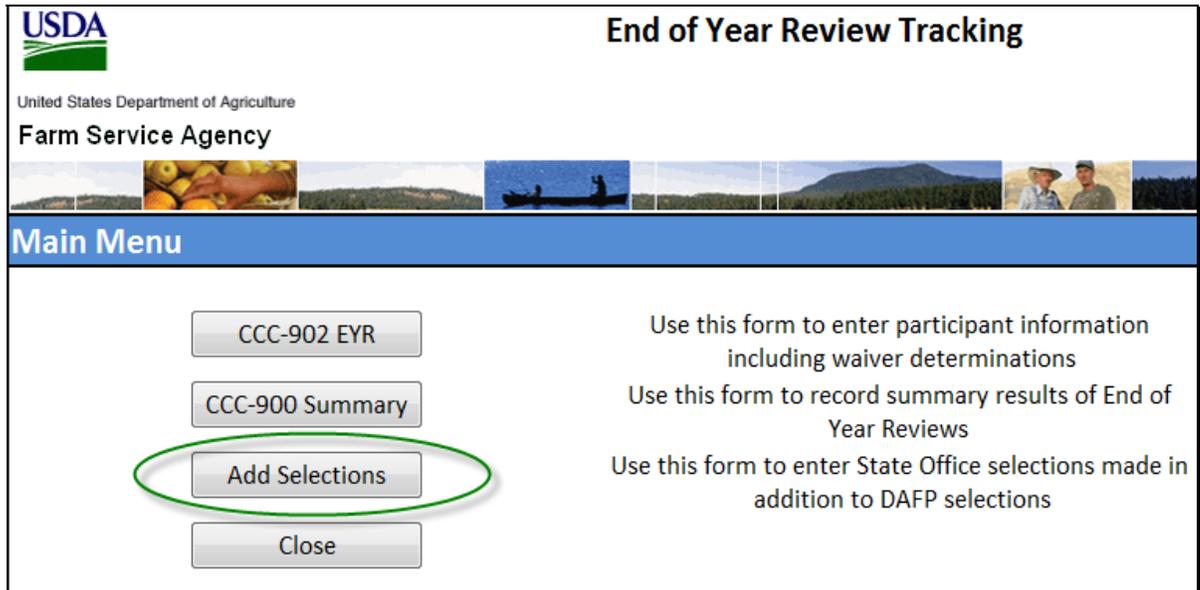
The following illustrates a printed copy of the CCC-900-5 Summary completed through EYRT. The automated version can be used in place of the manual CCC-900-5 displayed in subparagraph 421 F.

USDA United States Department of Agriculture Farm Service Agency		End of Year Review Tracking		
CCC-900-5 Summary (Individual Case Reporting)				
State:		County:		
Producer Name:		Review FY: 2011		
Answer all questions	Yes	No		n/a
1. CCC-902 followed	<input type="radio"/>	<input type="radio"/>		
2. Significant contribution of land	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
3. Significant contribution of capital	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
4. Significant contribution of equipment	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
5. Significant contribution of "left-hand" combination	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
6. Significant contribution of active personal labor	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
7. Significant contribution of active personal management	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
8. Significant contribution of "right-hand" combination	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
9. Share of profits and losses commensurate with contributions	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
10. Contributions at risk	<input type="radio"/>	<input type="radio"/>		
11. Foreign person rule met	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
12. Spousal provision requirements met	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
13. Common attribution determination correct	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
14. Minor child determination correct	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
15. For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management of each partner, stockholder, or member: • Performed on a regular basis • Identifiable and documentable • Separate and distinct from contributions of other partners, stockholders, or members?	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
16. Number of members in the farming operation claiming to make a significant contribution of active personal labor				0
17. Number of members in the farming operation determined to make a significant contribution of active personal labor				0
18. Number of members in the farming operation claiming to make a significant contribution of active personal management				0
19. Number of members in the farming operation determined to make a significant contribution of active personal management				0
20. "Actively Engaged in Farming" Requirements Met • If Yes, select the following factors or findings that explains how: <input type="checkbox"/> Land <input type="checkbox"/> Capital <input type="checkbox"/> Equipment <input type="checkbox"/> AP Labor <input type="checkbox"/> AP Management <input type="checkbox"/> Landowner Exemption	<input type="radio"/> Yes	<input type="radio"/> No		
21. Cash-rent tenant rule met • If Yes, select the following factors or findings that explains how: <input type="checkbox"/> AP Labor or <input type="checkbox"/> Equipment and <input type="checkbox"/> AP Management	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> n/a	
22. Substantive change requirements met • If yes, select the following factors or findings that explains how: <input type="checkbox"/> Family Member <input type="checkbox"/> Land rental change <input type="checkbox"/> Increase base acres <input type="checkbox"/> Ownership change of land or equip sale/gift <input type="checkbox"/> Addition of equip to farming operation	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> n/a	
23. Were the initial determinations correct?	<input type="radio"/>	<input type="radio"/>		
24. If discrepancies were found, did they result in an adverse determination?	<input type="radio"/>	<input type="radio"/>		
25. Adverse determination included Scheme and Device, fraud, or other actions to circumvent regulations	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
26. Total dollar amount of payments affected by the discrepancy?				\$0
27. Did producer provide requested documentation to complete the review?	<input type="radio"/>	<input type="radio"/>		
28. Review is complete:	<input type="radio"/>	<input type="radio"/>		

*--478 EYRT for Entering Participant Information (Continued)

D “Add Selections” Option

If on the following End of Year Tracking Main Menu, users click “Add Selections”, users can record information and summary results for additional EYR’s selected by COC, STC, State Office, or other reviewing authority.



--*

*--478 EYRT for Entering Participant Information (Continued)

D “Add Selections” Option (Continued)

The following End of Year Review Tracking Additional EYR Selections Screen will be displayed. Enter information about the farming operation selected for EYR and responses about the farming operation from each drop-down list and CLICK “Save”.



End of Year Review Tracking

United States Department of Agriculture
Farm Service Agency



Additional EYR Selections

State:	<input type="text"/>
Recording County:	<input type="text"/>
Producer Name:	<input type="text"/>
Core Customer ID:	<input type="text"/>
Business Type:	<input type="text" value="Select..."/> *
Review FY:	<input type="text" value="2011"/>
Selection Type:	<input type="text" value="Select..."/> *
Total Attributed Payments:	<input type="text"/>

--*

***--479 EYRT for Reports by State and Program Year**

A “EYR State Selection Report” Option

On the Payment Limitation EYRs Screen, under “EYR Tracking”, CLICK “**EYR_StateSelectionRpt**” and a report of DAFP EYR selections for any given State and program year 2009 through 2011 will be generated.

Note: Users shall select the version compatible with their computer operating system.

EYR Tracking			
Type	Name	Description	Modified
	EYRsubmit_2009_2010_update	FY2009 and 2010 Status Updates only. Only update if contacted by PECD.	4/11/2013 11:26 AM
	EYRsubmit_v2.0_Office2010	FY2011 EYR Tracking (Windows 7/Office 2010 users only)	4/12/2013 12:30 PM
	EYR_StateSelectionRpt_vOffice2007	Report of 2011 EYR DAFP Selections (Windows XP/Office 2007 users only)	4/8/2013 2:22 PM
	EYR_StateSelectionRpt	Report of 2011 EYR DAFP Selections (Windows 7/Office 2010 users only)	4/8/2013 2:22 PM

--*

***--479 EYRT for Reports by State and Program Year (Continued)**

B State Selection Report

The following State Selection Report Screen will be displayed. From the “State” drop-down list, select the desired State and CLICK “**Run Query**” to generate the EYR State Selection Report.

Note: Only the 2011 report is currently available.

State Selection Report

State:

Core Customer ID	State	Recording County	Producer Name	Business Type	Review FY	Selection Type	Waiver Granted	Total Attributed Payments

The following is an example of the EYR State Selection Report that will be displayed.

State Selection Report

State: Colorado

Core Customer ID	State	Recording County	Producer Name	Business Type	Review FY	Selection Type	Waiver Granted	Total Attributed Payments
xxxxxxxx	Colorado	Yuma	XXXXXXXXXXXX		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Yuma	XXXXXXXXXXXX		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Yuma	XXXXXXXX XXXXX		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Kit Carson	XXXXXXXX		2011	DAFP		\$xxxxxxxx

--*

480-500 (Reserved)

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-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		Ex. 14
CCC-501A	Member's Information		Ex. 10
CCC-501B	Designation of "Permitted Entities"		Ex. 10
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		190
CCC-526C	Payment Eligibility - Average Adjusted Gross Income Certification For Certain Conservation Reserve Program Contracts Approved Before October 1, 2008		190, Ex. 14
CCC-580	Milk Income Loss Contract (MILC)		186
CCC-770 CPA	AGI Compliance Review Checklist CPA or Attorney Certification Statement	Ex. 21	
CCC-770 TAX	AGI Compliance Review Checklist IRS Tax Information - Returns and Schedules	Ex. 21	
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	478
CCC-901	Member's Information - 2009 and Subsequent Years	99	Text, Ex. 10, 14
CCC-902 Automated	Farm Operating Plan for Payment Eligibility - 2009 and Subsequent Program Years	130.5, 132	Ex. 10, 14
CCC-902 Continuation	Continuation Sheet for Leased or Owned Land (Attach to Form CCC-902I or CCC-902E)	140	Text, Ex. 10

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

Forms (Continued)

Number	Title	Display Reference	Reference
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, 120
CCC-902EYR	End-of-Year Report of Payment Limitation Review	441	402, 442
CCC-902I	Farm Operating Plan for an Individual - 2009 and Subsequent Program Years	130	Text, Ex. 10
CCC-902I Short Form	Farm Operating Plan for an Individual - 2009 and Subsequent Program Years	131	34, 74
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations	207	33, 109
CCC-926 <u>1/</u>	Average Adjusted Gross Income (AGI) Statement		Text, Ex. 10, 14, 21
CCC-927 <u>1/</u>	Consent to Disclosure of Tax Information - Individual		Ex. 11-13
CCC-928 <u>1/</u>	Consent to Disclosure of Tax Information - Legal Entity		Ex. 11-13
CCC-929	Average Adjusted Gross Income (AGI) Supplemental	201	199, 200
CCC-931	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information	200.5	Text, Ex. 12, 13.5, 21
CCC-931C	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information For Successors to Conservation Program Contracts and Agreements Only	200.5	Text, Ex. 12, 13.5, 21
CCC-933	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information For the 2013 crop, program, and fiscal years only.	200.5	Text, Ex. 13.5, 21
CRP-1	Conservation Reserve Program Contract		13, 187, 190, Ex. 10
CRP-1F Addendum	CRP-1 Modification to Extend the Contract Expiration Date for _____ Years		Ex. 10
FSA-211	Power of Attorney		200.5
I-151 <u>1/</u>	Alien Registration Receipt Card		107
I-551	Permanent Resident Card/Resident Alien Card	107	108, 120, 130, 131, 141, 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, Ex. 21
IRS-1040	U.S. Individual Income Tax Return		188, 191, 200.5, 203.8, Ex. 21

1/ Form is obsolete.

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

Forms (Continued)

Number	Title	Display Reference	Reference
IRS-1041	U.S. Income Tax Return for Estates and Trusts		191, Ex. 21
IRS-1065	U.S. Return of Partnership Income		191, Ex. 21
IRS-1120	U.S. Income Tax Return for an S Corporation		191, Ex. 21
IRS-1120S	U.S. Income Tax Return for an S Corporation		191, Ex. 21
IRS-2848	Power of Attorney and Declaration of Representative		200.5
IRS-3210	Document Transmittal	Ex. 8	200

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
ARCT	AGI Review and Compliance Tracking System	Part 9
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, 200.5, 203.7, 203.8, 204, Ex. 21
CSTP	Conservation Stewardship Program	11, 14, 187
EIN	employer identification number	136, 156, 168, 200, Ex. 2
EYR	End-of-Year Report	402, 441, 442, 476-479
EYRT	End-of-Year Review Tracking	441, 442, 445-449, 476-479
FRPP	Farm and Ranchland Protection Program	11, 187
IRA	individual retirement account	167
LLP	limited liability partnership	34, 52, 147, 148, 149, 191
LP	limited partnership	34, 52, 120, 147, 148, 149, 191, Ex. 2
MLG	marketing loan gain	3, 11, 12, 14, 186
TAAF	Trade Adjustment Assistance for Farmers	11, 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

Definitions of Terms Used in This Handbook (Continued)

Average Adjusted Gross Farm Income

Average adjusted gross farm income of a person or legal entity means income or benefits derived from the following sources.

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> • cattle, sheep, goats, swine • elk, reindeer, bison, deer • horses • poultry • fish and other aquaculture products used for food • honeybees. 	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> • farmland, ranchland, or forestry land • water or hunting • environmental benefits.
The feeding, rearing, or finishing of livestock. Products produced by or derived from livestock.	The rental or lease of land or equipment used for farming, ranching or forestry operations, including water or hunting rights.
Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
The processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy.	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules. Production of farm-based renewable energy.
Any other activity related to farming, ranching, or forestry as determined by the Deputy Administrator.	
Any income reported on IRS Schedule F or other schedule used by the person or legal entity to report income from farming, ranching, or forestry operations to IRS.	
The sale of equipment to conduct farm, ranch, or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations, if the average adjusted gross farm income is at least 66.66 percent of the average AGI.	

*--Note: Wages earned through employment by farming operation are **not** farm income.--*

Definitions of Terms Used in This Handbook (Continued)

Average AGI for a Person or Legal Entity

Average AGI for a person or legal entity means the average AGI, or comparable measure, of the individual or entity over the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

Note: Exclude any years that the individual or entity did **not** have income or had AGI considered as zero.

Capital

For payment limitation purposes, capital means the funding provided by a person or legal entity to the farming operation for the operation to conduct farming activities.

Cash-Rent Tenant

*--Cash-rent tenant means a producer who rents land from another producer or landowner under either of the following conditions:

- for a fixed cash amount
- guaranteed crop share as the amount of the commodity to be paid in rent.--*

Common Attribution

Common attribution means crediting payments made to persons or legal entities collectively to 1 limitation, for the applicable program, based on a specific or unique relationship between the persons or legal entities.

Complete Control

Complete control means exclusive access and use by the tenant.

Corporation

Corporation means an entity recognized by law comprised of 1 or more persons or legal entities, which has certain rights and duties.

Note: For payment limitation purposes, a subchapter S corporation is included in this definition.

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.

Definitions of Terms Used in This Handbook (Continued)

Default Determination

Default determination means all persons or legal entities are considered actively engaged in farming.

*--Enrolled Agent

Enrolled agent means someone who is authorized to deal with IRS on behalf of another; however, enrolled agent certifications are **not** acceptable for AGI eligibility purposes.--*

Embedded Legal Entity

Embedded legal entity means an entity that has an interest, directly or indirectly, as a stockholder, member, beneficiary, or heir, in another entity that is earning payments.

Equipment

For payment limitation purposes, equipment means the machinery and implements used by the farming operation to conduct activities of the farming operation.

This includes:

- machinery and implements for:
 - land preparation, planting, cultivating, or harvesting of the crops involved
 - establishing and maintaining conservation cover crops or conservation use of acreages
 - conducting livestock operations
- irrigation equipment that is:
 - **not** of a permanent nature
 - commonly used in the area.

*--End-of-Year Review Tracking (EYRT)

EYRT means a web-based system:

- in which National, State, and County Office users can record all findings, recommendations, and conclusions from EYR's completed on selected farming operations for 2009 and subsequent years' payment eligibility and payment limitation compliance purposes
- that provides reporting and summarization capabilities for EYR findings, determinations, and related information recorded for the farming operations reviewed.--*

Definitions of Terms Used in This Handbook (Continued)

Family Member

Family member means a person to whom another member in the farming operation is related as lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.

The term family member shall include:

- great grandparent
- grandparent
- parent
- child, including legally adopted children and stepchildren
- grandchild
- great grandchild
- sibling of the family members in the farming operation
- spouse of family members.

Farming Operation

Farming operation means a business enterprise engaged in production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation that is eligible to receive payments, directly or indirectly, under 1 or more programs specified in § 1400.1. A person or legal entity may have more than 1 farming operation if this person or legal entity is a member of 1 or more joint operations.

Foreign Entity

Foreign entity means a corporation, trust, estate, or other similar organization, that has more than 10 percent of its beneficial interest held by individuals who are **not**:

- citizens of the U.S.
- lawful alien possessing a valid Permanent Resident Card or Resident Alien Card (Form I-551).

Foreign Person

Foreign person means someone who is **not** a:

- citizen of the U.S.
- lawful alien possessing a valid Permanent Resident Card or Resident Alien Card (Form I-551).

Menu and Screen Index

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

Menu or Screen	Title	Reference
	End of Year Review Tracking Additional EYR Selections Screen	478
	End of Year Review Tracking CCC-900 Summary (Individual Case Reporting) Screen	478
	End of Year Review Tracking CCC-902EYR (Individual Case Reporting) Screen	478
	End of Year Tracking Main Menu	478
	Farming Operation Summary Page (Short Form) Screen	132
	Farming Operation Summary Page Screen	130.5
	Payment Limitation EYRs Screen	477
	State Selection Report Screen	479

AGI Compliance Review Checklists

*--A Example of CCC-770 CPA

The following CCC-770 CPA will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

This form is available electronically.			
CCC-770 CPA (05-16-13) AGI COMPLIANCE REVIEW CHECKLIST CPA OR ATTORNEY CERTIFICATION STATEMENT	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. State Office Name
			2. County Office Name
			3. Producer Name
			4. CPA or Attorney Name
			5. Year(s) Reviewed <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input type="checkbox"/> 2013
This form will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.			
	YES	NO	N/A
6. Did the participant submit the required documentation within the required timeframe? Date documentation received:			
7. Has the CPA's or Attorney's license been verified through a reliable source? If so, print a copy and place in the review file. (Optional - complete only if credentials or status are in question.)			
8. Was the statement prepared for the correct participant subject to the AGI compliance review?			
9. Does the statement contain all the required elements to be considered acceptable for average AGI compliance verification purposes? (See page 2 of this form)			
10. Has the statement been evaluated for the following: <ul style="list-style-type: none"> • the correct and applicable 3-year period for qualification; • the average AGI limitations to which compliance is certified; • the referenced schedules and line items of filed tax returns; • the filing date(s) for the referenced tax returns. 			
11. Has the Average AGI Calculation Worksheet (see 4-PL, subparagraphs 203.8 C and 541 C) been completed to verify correctness of the computations?			
12. Has a copy of the AGI certification (CCC-926, CCC-931, CCC-933, or CPA or attorney certification) been received from the recording County Office?			
13. Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?			
14. Was the participant's AGI certification correctly recorded in the web eligibility file? (Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)			
15. If the participant is determined to be not eligible for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (SED determination field)?			
16. Has written notice of the determinations been provided to the participant, and if adverse, have the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____			
17. For participants determined not eligible, has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?			
18. AGI Compliance Review file should contain the following documents upon completion of the review: <ul style="list-style-type: none"> • documentation received from the participant; • copy of subsidiary print before completing review; • copy of the original AGI certification (CCC-926, CCC-931, CCC-933, or CPA or attorney certification); • copy of the Average AGI Calculation Worksheet (see 4-PL, subparagraphs 203.8 C and 541 C); • copy of subsidiary print after SED determination has been updated in the web eligibility file, (if applicable); • copy of the written notice of determination sent to participant. 			
19. Remarks:			
20A. Signature of Person Completing Review		20B. Date (MM-DD-YYYY)	
The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).			
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov . USDA is an equal opportunity provider and employer.			

AGI Compliance Review Checklists (Continued)

*--A Example of CCC-770 CPA (Continued)

CCC-770 CPA (05-16-13)	Page 2
<i>Reference 4-PL, Subparagraphs 189 B and C</i>	
Instructions, Terms, and Conditions for CPA or Attorney Certification Statement	
Certification statements will only be accepted from licensed certified public accountants (CPA's) and attorneys. <u>Statements from enrolled agents will not be accepted.</u> If a statement is submitted by a CPA or an attorney to certify compliance with an average AGI limitation for which a person or legal entity received notification of possible noncompliance, the statement must include the following elements:	
1) CPA's or attorney's State license identification number.	
2) Explanation of the reason for the certification statement.	
3) Acknowledgement of having read and understood, and agreement to, the terms and conditions of AGI Enclosure 1, including the following:	
<ul style="list-style-type: none">• The CPA/attorney acknowledges and agrees to having reviewed and being familiar with the average AGI limitations, definitions, and compliance requirements in 7 CFR Part 1400, with the programs involved, having made such inquiries as are necessary to apprise the CPA/attorney of such matters and understands that the tax years used to calculate the average AGI are the 3 taxable years preceding the most immediately preceding complete taxable year for which program benefits are requested.• The representations the CPA/attorney makes in the certification statement may be relied on by the government to allow benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for those persons associated with the false representations.• Additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to ensure that all information filed with USDA by all parties is true, correct, and complete.	
4) Relevant information on the most recently filed tax returns for the period in question.	
5) If applicable, detailed explanations of how the applicable average AGI limitation(s) was not exceeded even though the information on the tax returns indicate otherwise.	

--*

AGI Compliance Review Checklists (Continued)

*-B Example of CCC-770 TAX

The following CCC-770 TAX will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

This form is available electronically.			
CCC-770 TAX (05-16-13) AGI COMPLIANCE REVIEW CHECKLIST IRS TAX INFORMATION - RETURNS AND SCHEDULES	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. State Office Name
			2. County Office Name
			3. Producer Name
			4. CPA or Attorney Name
			5. Year(s) Reviewed <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input type="checkbox"/> 2013
This form will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.			YES NO N/A
6. Did the participant submit the required documentation within the required timeframe? Date documentation received: _____			
7. Was the tax information provided for the correct participant subject to the AGI compliance review?			
8. Was the tax information signed, or otherwise verified as filed with the IRS, by the participant subject to the AGI compliance review?			
9. Were the sets of tax returns complete as to be considered acceptable for average AGI compliance verification purposes?			
10. Has the tax information been evaluated for the following: <ul style="list-style-type: none"> the correct and applicable 3-year period for qualification; the average AGI limitations to which compliance is certified; the applicable forms, schedules, and line items as needed to identify all farm and nonfarm income amounts; the filing date(s) in comparison to the applicable 3-year period. 			
11. Has the Average AGI Calculation Worksheet (see 4-PL, subparagraphs 203.8 C and 541 C) been completed to verify correctness of the participant's AGI certification?			
12. Has a copy of the AGI certification (CCC-926, CCC-931, CCC-933, or CPA or attorney certification) been received from the recording County Office?			
13. Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?			
14. Was the participant's AGI certification correctly recorded in the web eligibility file? (Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)			
15. If the participant is determined to be not eligible for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (SED determination field)?			
16. Has written notice of the determinations been provided to the participant, and if adverse, have the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____			
17. For participants determined not eligible , has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?			
18. AGI Compliance Review file should contain the following documents upon completion of the review: <ul style="list-style-type: none"> all tax documentation received from the participant; copy of subsidiary print before completing review; copy of the original AGI certification (CCC-926, CCC-931, CCC-933, or CPA or attorney certification); copy of the Average AGI Calculation Worksheet (see 4-PL, subparagraphs 203.8 C and 541 C); copy of subsidiary print after SED determination has been updated in the web eligibility file, (if applicable); copy of the written notice of determination sent to participant. 			
19. Remarks:			
20A. Signature of Person Completing Review		20B. Date (MM-DD-YYYY)	
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</small></p> <p><small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.</small></p>			

--*

AGI Compliance Review Checklists (Continued)

*--B Example of CCC-770 TAX (Continued)

CCC-770 TAX (05-16-13)	Page 2	
Reference 4-PL, Paragraph 191		
The following provides guidance for the forms used when determining AGI using data reported to IRS.		
IF determining total AGI for...	THEN see IRS Form...	AND use the amount entered on...
corporations	1120	either of the following: <ul style="list-style-type: none"> • line 30 (total taxable income), plus line 19 (charitable contributions) for years 2000 through 2011 • for S corporations, use only on IRS-1120S, line 21 (ordinary business income).
estates or trusts	1041	line 22 (taxable income) plus line 13 (charitable deductions) for years 2000-2011.
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 2000-2011.
persons	1040	line 37 (AGI) for 2005-2011.
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 2000-2011.
The following provides guidance on the supporting schedules and forms that may be used when determining farm AGI using data reported to IRS.		
Schedule/Form	Line Item and Description	
Schedule C	Line 31 – Net profit or (loss).	
Schedule D	Line 11 – Gains from Form 4797, Part I, long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824.	
Schedule E	Line 42 – Reconciliation of farming and fishing income.	
Schedule F	Line 36 – Net farm profit or (loss).	
Form 4797	Line 4 – Section 1231 gain from installment sales from Form 6252, line 26 or 37. Note: This amount is carried forward to Schedule D, line 11.	
Form 4835	Line 32 – Net farm rental income or (loss). Note: This amount is carried forward to Schedule E, line 40.	
Form 6252	Line 24 – Installment sale income. Note: This amount in carried forward to Schedule D, line 11 and to Form 4797, line 4.	

--*