

For: State and County Offices

**Adjusted Gross Income (AGI) Actions for Processing CRP Annual Rental Payments for FY 2005**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Software is being developed to handle AGI provisions for CRP. However, this software was not available for the FY 2005 CRP annual payments. AGI must be handled manually by County Offices for the FY 2005 CRP annual payment cycle.

CEPD advised States on September 30, 2004, to hold certain FY 2005 CRP payments subject to AGI rules until guidance for handling these payments manually could be provided.

Any CRP-1 approved on or after May 13, 2002, is subject to the AGI provisions as it pertains to CRP. According to 2-CRP, subparagraph 87 B, all producers must provide a certification of average adjusted gross income according to 1-PL. For CRP, certifications of adjusted gross income are binding for the life of the CRP-1.

**B Purpose**

This notice advises State and County Offices:

- to set the AGI flag according to 2-CRP, paragraph 87, before CRP payments are issued
- that a manual procedure must be used to manage the CRP AGI provisions when processing FY 2005 CRP annual payments

**Note:** See 2-CRP, paragraph 87 for the CRP AGI policy provisions.

- that the effective AGI flag for CRP will be set for the life of CRP-1 for each producer and/or member listed on CRP-1.

<b>Disposal Date</b>	<b>Distribution</b>
April 1, 2005	State Offices; State Offices relay to County Offices

**Notice CRP-486**

**2 Action**

**A County Office Action**

County Offices must verify current AGI flag settings and process applicable CRP annual payments according to the following table.

<b>Step</b>	<b>Action</b>			
1	On Application Selection Menu FAX07001, select Option "9", " <b>Common Provisions</b> ".			
2	On Common Management Menu MA0000, select Option "4", " <b>Subsidiary Files Maintenance</b> ".			
3	On Common Provision-Subsidiary Main Menu MAD000, select Option "11", " <b>Adjusted Gross Income</b> ".			
4	On Adjusted Gross Income Main Menu MAD830, select Option "3", " <b>Print Ineligible AGI Producer/Member Report</b> ".			
5	On Subsidiary Year Selection Menu MAD01301, select "2004".			
6	Select desired printer ID.			
7	Report ID No. MAD845-R001 will print.			
8	<b>IF...</b>		<b>THEN...</b>	
	the message " <b>No Ineligible Producers recorded for this County</b> " prints on the report		there are no producers and/or members of an entity flagged as ineligible because of AGI in the County Office. No further action is required. No payment reductions apply. Proceed to Step 11.	
9	<b>IF...</b>	<b>THEN...</b>	<b>IF producers listed...</b>	<b>THEN....</b>
	there are producers and/or members listed on Ineligible AGI Producer/Member Report No. MAD845-R001	check the CRP contract files on all producers and/or members listed on the report.	have an active CRP-1 with an approval date on or after May 13, 2002	proceed to Step 10.
			do not have an active CRP-1 approved on or after May 13, 2002	no further action is required. No payment reductions apply. Proceed to Step 11.
10	<b>IF producers and/or members listed on Report No. MAD845-R001 were AGI...</b>		<b>THEN the...</b>	
	<b>eligible</b> at the time CRP-1 was approved		AGI flag must be set to "eligible" to issue the CRP annual rental payment and reset to "ineligible" after the CRP annual rental payments are issued for the producers and/or members.	
	<b>ineligible</b> at the time CRP-1 was approved		producers and/or members are ineligible for the life of CRP-1. Do <b>not</b> issue payments to the ineligible producers/members.	
11	Process payments as determined by Steps 1 through 11.			
	<b>Exception:</b> If a producer and/or member was AGI ineligible at the time CRP-1 was approved on or after May 13, 2002, but is now flagged as AGI eligible in the eligibility file, that producer and/or member is still AGI ineligible for CRP payments. Do <b>not</b> issue CRP annual rental payments to this producer and/or member.			

**B State Office Action**

State Offices shall ensure that County Offices follow the instructions in this notice.