

For: State and County Offices

Entities With Majority Interest Holders

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The majority interest holder in a corporation, limited liability company, limited partnership, limited liability partnership, or similar entity is to be considered 1 “person” with the entity. The determination of 1 “person” for the entity and the majority interest holder must also be recorded in the automated systems for correct nationwide payment limitation control.

There are no capabilities currently present on the web-based combined system or the System 36 subsidiary files to automatically make the required “person” combination of the majority stockholder with the entity, or to identify if such a combination is required. Consequently, there are no assurances that payments are correctly limited to entities and the majority interest holders.

B Purpose

This notice provides information and instructions on identifying and correcting the error condition if it is present.

Completing the activities in this notice will provide assurance that payments are correctly limited to the entities described and the majority interest holders in the entities.

2 Requirements

A “Person” Determinations

The majority interest holder in a corporation, limited liability company, limited partnership, limited liability partnership, or similar entity must be considered 1 “person” for payment limitation purposes according to 1-PL, paragraph 313 and 7 CFR 1400.101.

The required “person” determination shall be made by COC or the reviewing authority and documented on CCC-503A according to 1-PL, paragraphs 393 and 394.

Disposal Date	Distribution
June 1, 2008	State Offices; State Offices relay to County Offices

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2 Requirements (Continued)

A “Person” Determinations (Continued)

To ensure nationwide payment limitation control, the determination will be recorded in the:

- automated subsidiary files according to 2-PL, Part 5, Sections 1 and 2 and paragraphs 330 and 331
- web-based combined system according to 3-PL, Part 5, Section 2.

3 Instructions

A Identifying Entities With Majority Interest Holders

Upon installing Software Release No. 618, a query designated “ENTITY07” will be added to the QRPRADJ1 query library. The query will identify entities with majority interest holders for 2007.

B County Office Action

County Offices shall use query ENTITY07 to identify entities with a majority interest holder for current year 2007, and if necessary, make the appropriate determinations according to subparagraph 2 A.

Before running the query, compress the print by typing “**LINES 88,15,8**” on a command line and PRESS “Enter”.

Initiate and run the query according to the following table.

Step	Action
1	On Menu FAX250, ENTER “3” or “4”, as applicable.
2	Select the appropriate office from Office Selection Screen FAX09002.
3	On Application Selection Menu FAX07001, ENTER “11”.
4	On PFC/DCP/Compliance Menu M00000, ENTER “6”.
5	On Menu MCD600, ENTER “5”, “Print Temporary Query Reports”.
6	On Temporary Query Reports Screen MCD60501, ENTER “ENTITY07” in the “Name of Query” field.
7	ENTER “N” in the “Select Records” field.
8	ENTER “QRPRADJ1” in the “Name of Query Library” field and PRESS “Enter”.
9	The query will print on the printer defaulted for the terminal.

C State Office Action

State Offices shall:

- ensure that County Offices follow the provisions of this notice
- monitor County Office actions as needed.