

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income 4-PL	Amendment 15
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 3 Q has been added to reference the American Taxpayer Relief Act of 2012 as the legislation that extended the payment eligibility and payment limitation provisions of the Food, Conservation, and Energy Act of 2008, to the 2013 crop, program, and FY's.

Subparagraph 11 A has been amended to include that payment eligibility, payment limitation, and average AGI provisions in this handbook are applicable to 2013 NAP.

Subparagraph 14 A has been amended to include that payment limitation provisions in this handbook are applicable to the mentioned commodity, conservation, disaster assistance, and price support programs for 2013.

Subparagraph 117 A has been amended to include that effective for 2010 through 2013 crop, program, and FY's, June 1 of the current year is the date used for the determination of minor child.

Subparagraphs 186 A and B have been amended to include the average AGI provisions in this handbook apply to the 2013 crop, program, and FY's.

Paragraph 189 has been amended and reorganized, as applicable, to provide:

- using CCC-933, "Average Adjusted Gross Income (AGI) Certification and Consent To Disclosure of Tax Information", for the 2013 crop, program, and FY's
- examples of acceptable AGI compliance certification and verification statements from CPA or attorney for persons, legal entities, and for the allocation of incomes for joint tax filers
- the required elements that must be present for a statements from a CPA or attorney to be considered acceptable for AGI compliance certification and verification purposes.

Subparagraph 190 C has been amended to clarify the effective date of contract succession and the correct 3-year period for average AGI certification purposes.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 190 E has been amended to include the correct year.

Subparagraph 190 I has been added to provide examples of the applicable AGI years for succession to DCP and CRP contracts.

Paragraph 191 has been amended to illustrate that the applicable years for determining the 2013 average AGI are 2009, 2010, and 2011.

Paragraphs 199 through 203.8 are amended to include:

- that all AGI provisions are applicable to the 2013 crop, program, and FY's
- using CCC-933 for 2013 AGI compliance certification and consent to disclosure.

Subparagraph 200 H has been amended to include reference to Exhibit 13.5 to explain IRS rejection messages and recommend FSA actions.

Subparagraphs 200.5 H through L have been added to provided instructions for the completing and using CCC-931C for successors-in-interest to approved conservation program contracts and agreements **only**, and CCC-933.

Subparagraph 203.7 C has been amended to include that completing an Average AGI Calculation Worksheet is required **only** if necessary to determine compliance and that using Exhibit 21 is optional.

Subparagraph 203.8 D has been removed because the information is now covered in subparagraph 189 D.

Paragraph 204 has been amended to provide updates to the example letters and notifications to include the following:

- 2009 through 2012 program years
- \$1 million AGI limitation applicable to 2012 direct payments.

Paragraph 207 has been amended to include reference to the 2013 program year wherever applicable.

Paragraph 236 has been amended to include reference to the 2013 program year wherever applicable.

Exhibit 10 has been amended to clarify forms requirements for succession to a CRP contract.

Exhibit 13.5 has been added to provide explanation of the IRS Rejection Message, "Not found on master file", and recommended FSA actions.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Exhibit 21 has been amended to clarify information requirements on the optional AGI Compliance Review Checklists.

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

P The Consolidated and Further Continuing Appropriations Act of 2012

The Consolidated and Further Continuing Appropriations Act of 2012 amended the provisions of the Food Security Act of 1985 and the Food, Conservation, and Energy Act of 2008, and provided a \$1,000,000 average AGI limitation that:

- represents the total amount of the average AGI (including all income, both farm and nonfarm) of the person or legal entity
- is based on the same 3-year period as the other average AGI limitations
- applies only to 2012 direct payments under DCP and ACRE
- is in addition to the \$500,000 average nonfarm AGI, the \$750,000 average farm AGI, and the \$1,000,000 average nonfarm AGI limitations.

***--Q The American Taxpayer Relief Act of 2012**

The American Taxpayer Relief Act of 2012 amended the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) and extended all payment eligibility and payment limitation provisions, including AGI limitations, for the 2013 crop, program, and FY's.--*

4-10 (Reserved)

Part 2 General Provisions

Section 1 Program Availability

11 Applicable Programs

A General Applicability

[7 CFR 1400.1 (a) and (b)] This table provides the rules in this handbook that apply to USDA-administered programs. See Exhibit 9.

Program or Payment	Applicable Rules				
	Actively Engaged in Farming	Cash-Rent Tenant	Direct Attribution	Foreign Person	AGI
Conservation Programs					
AWEP			X		X
CBWP			X		X
CCPI			X		X
CRP			X	X	X
CSTP			X		X
ECP			X		X ^{1/}
EQIP			X		X
FRPP			X		X
GRP			X		X
WHIP			X		X
WRP			X		X
DCP/ACRE Payment	X	X	X	X	X
Disaster Assistance Programs					
ELAP			X		X
LFP			X		X
LIP			X		X
NAP * * *			X		X
SURE			X		X
TAP			X		X
Price Support Programs					
LDP's				X	X
Loans				X	
MILC			X	X	X
MLG's				X	X
Other					
AMA			X		X
TAAF			X		X

Note: Foreign persons are ineligible for payment under certain programs. The procedure for these programs reference the definition of foreign person provided in 4-PL, Part 3. However, the foreign person rule, as provided in Part 3, **only** applies to the programs or payments listed in this table.

^{1/} Only for certain apportionments that specifically identify AGI as a requirement.

11 Applicable Programs (Continued)

* * *

12 Specific Rules for MAL's and MLG's

A Foreign Person Requirements

[7 CFR 1400.1 (a) (2)] Regular MAL's are denied if the producer does **not** meet the foreign person requirements in Part 3.

B AGI Provisions

LDP's and MLG's are subject to the AGI provisions of this handbook.

13 Specific Rules for CRP

A Applicability of this Handbook

The provisions in this handbook apply to participants with CRP-1's approved on or after October 1, 2008.

B Applicability of 1-PL

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

14 Payment Limits and Rules

A Person or Legal Entity Payment Limitations

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

Program Payment Type	Limitation (in Dollars)
	--2009 Through 2013--
Commodity Programs	
Counter-cyclical and ACRE payments on covered commodities except peanuts.	65,000 <u>1/</u>
Counter-cyclical and ACRE payments on peanuts.	65,000 <u>1/</u>
Direct payments on covered commodities except peanuts.	40,000 <u>2/</u>
Direct payments on peanuts.	40,000 <u>2/</u>
Conservation Programs	
CRP annual rental payment and incentive payment.	50,000
*--CSTP (all contracts for FY 2009-2013).	200,000
ECP (per disaster)	200,000
EQIP (all contracts for FY 2009-2013).--*	300,000
GRP	50,000
WHIP	50,000
WRP	50,000
Disaster Assistance Programs	
ELAP, LFP, LIP, and SURE	100,000
NAP	100,000
TAP	100,000
Price Support Programs	
LDP, MAL, and MLG	No limits.
Other Programs	
TAAF	10,000 <u>3/</u>

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

15-20 (Reserved)

117 Minor Children**A Definition of Minor Child**

[7 CFR 1400.101] Minor child means a person that is **not** 18 years of age on or before April 1 of the current year.

***--Effective beginning with the 2010 crop, program, and FY's, June 1 of the applicable--* year shall be the date used for the determination of minor child.**

Notes: Court action conferring majority on such person does **not** change this person's status as a minor child.

Person A's payments will continue to be attributed to his/her parent for the applicable crop year, program year, or FY even though the age of majority is reached during the year.

B Payments to a Minor Child

Payments issued to a minor child:

- are attributed to the parent or court-appointed person who is responsible for the child
- that is a beneficiary of a trust or heir of an estate, are attributed to the parent or court-appointed person who is responsible for the child.

Exception: If both parents are receiving program payments, the minor child payments will be attributed to the parent receiving the larger amount in program payments.

If a revocable trust, program payments will be attributed **only** to the grantor of the revocable trust.

117 Minor Children (Continued)

C Exception to Rule

Payments to a minor child will not be attributed to a parent or court-appointed person for payment limitation purposes if **both** of the following requirements are met:

- the minor child is a producer on a farm
- neither the minor child's parents nor court-appointed person has any interest in the minor child's farm or production from that farm.

D Exception Restrictions

Either of the following **must** be met for the minor child to remain under the exception in subparagraph C:

- the minor child meets **all** of the following:
 - has established and maintains a separate household from the parent or court-appointed person
 - personally carries out the farming activities in his or her operation
 - maintains a separate accounting for his or her farming operation
- the minor child meets **all** of the following:
 - does **not** live in the same household as his or her parents
 - is represented by a court-appointed person responsible for the minor child
 - has ownership of the farm vested in him or her.

Part 6 Adjusted Gross Income (AGI)

186 Average AGI Limitations

A Rule

[7 CFR 1400.500] A person or legal entity shall **not** be eligible to receive certain program *--benefits beginning with the 2009 crop, program, or FY, if the average AGI exceeds--* specified amounts.

B AGI Limitations

The AGI limitations are as follows. See Exhibit 9.

IF average adjusted gross...	THEN the person or legal entity is ineligible for...
nonfarm income exceeds \$500,000	commodity (DCP and ACRE), price support, and disaster assistance program benefits listed in subparagraph D. Note: A person or legal entity with average adjusted gross nonfarm income that exceeds \$500,000 is not eligible for marketing loan gains and LDP's. However, the person or legal entity is eligible for MAL's, but the loans must be repaid at principal plus interest, or commodity certificates may be exchanged for loan collateral.
farm income exceeds \$750,000	*--2009 through 2013 DCP direct payments.
income (both farm and nonfarm) exceeds \$1 million	2012 and 2013 direct payments.--*
nonfarm income exceeds \$1 million	conservation program benefits listed in subparagraph D, unless 66.66 percent or more of the average AGI was derived from activities related to farming, ranching, and forestry operations.

186 Average AGI Limitations (Continued)

C Quick Reference for AGI Amounts

This is a quick reference for determining AGI amounts.

<p>Average AGI <i>minus the</i> Average Adjusted Gross Farm Income <i>equals the</i> Average Adjusted Gross Nonfarm Income</p>

D Quick Reference for Programs and Applicable AGI Provisions

This is a quick reference for programs and applicable AGI limitations.

Program	Less Than \$500,000 Nonfarm AGI	Greater Than \$750,000 Farm AGI	Greater Than \$1 Million Total AGI	Less Than \$1 Million Nonfarm AGI	Greater Than \$1 Million Nonfarm AGI and at Least 66.66 Percent of AGI Is Derived From Farming	Greater Than \$1 Million Nonfarm AGI and Less Than 66.66 Percent of AGI Is Derived From Farming
--Commodity Programs (including direct, counter-cyclical, and ACRE payments)--	Eligible					
Direct Payments	Eligible	Ineligible	Ineligible			
ELAP, LFP, LIP, NAP, SURE, and TAP	Eligible					
CCC-580's, MLG's, and LDP's	Eligible					
CRP, ECP <u>1</u> , EQIP, and all other Conservation				Eligible	Eligible	Ineligible
All other.	As determined by regulation for each program.					

1/ If applicable, see subparagraph 11 A.

--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
- 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: Statement from an enrolled agent will **not** be accepted.--*

*--189 Average AGI Compliance Certification (Continued)

D Example of CPA or Attorney Statement for AGI Compliance

The following is an example of CPA or attorney statement for AGI compliance certification and verification purposes.

<p>[insert name] [insert street and/or mailing address] [insert city, State ZIP Code]</p>
<p>[insert date]</p>
<p>[insert State Office name] [insert street and/or mailing address] [insert city, State ZIP Code]</p>
<p>I, [insert name], am [insert "a certified public accountant (CPA)" or "an attorney" as appropriate] practicing in [insert city, State]. My license identification number is [insert license number] in [State].</p>
<p>I have been asked by [insert name of producer] to certify that [insert name of producer] is in compliance with the average adjusted gross income (AGI) limitations for the following [insert the applicable program year(s) and limitations], pursuant to section 1604 of the Food, Conservation, and Energy Act of 2008, 7 U.S.C. 1308-3a.</p>
<p>I understand that an inquiry by USDA with the Internal Revenue Service (IRS) has indicated that income tax returns filed with the IRS by [insert name of producer] reported income that may exceed the applicable AGI limits. For purposes of this letter and my representations below, my "certification" is limited only to my knowledge of [insert name of producer] federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by [insert name of producer]. [insert name of producer] has represented to me that the information supplied to me is, to the best of [his/her] knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by [insert name of producer]; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns that I did not prepare.</p>
<p>I acknowledge that I have read, understand, and agree to, the terms and conditions of the enclosure (AGI enclosure 1) received by [insert name of producer] with the following conditions.</p>
<ul style="list-style-type: none"> • I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that [insert name of producer] complies with the applicable average AGI limitations. • I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client's AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate. • Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.
<p>The following are correct statements:</p>
<ul style="list-style-type: none"> • Based on a representation provided by [insert name of producer], or the confirmations of [his/her] e-filed federal income tax returns [insert the applicable tax return form number], the [2005, 2006, and 2007 (if for 2009) or 2006, 2007, and 2008 (if for 2010)] federal income tax returns were timely filed. • I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.

--*

*--189 Average AGI Compliance Certification (Continued)

D Example of CPA or Attorney Statement for AGI Compliance (Continued)

- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that, consistent with the definitions in 7 CFR Part 1400, “farm income” means income or benefits derived from or related to sources and activities listed at 7 CFR § 1400.501, and “nonfarm income” is the total adjusted gross income minus the total farm income.”
- According to the most recent returns filed for the years identified above, *[insert name of producer]*:
 - reported average AGI was \$ _____ based on the following amounts from line 37:
[List the amount entered on line 37 for each tax year.] (Example is for the 2011 program year.)

Total Adjusted Gross Income reported on Line 37 in 2007 _____
 Total Adjusted Gross Income reported on Line 37 in 2008 _____
 Total Adjusted Gross Income reported on Line 37 in 2009 _____

- reported farm average AGI was \$ _____ based on the following amounts:
[List each tax year and farm AGI amounts for each year.]

Note: Farm income does not include wages earned from farming, dividends, oil & gas lease, oil & gas royalties or land damages. Report the **net farm income** and not the gross farm income.

Example: Report the net amount shown on line 36 and not the gross amount shown on Schedule F, line 11.

Farm Income reported in 2007 _____
 Farm Income reported in 2008 _____
 Farm Income reported in 2009 _____

- reported farm average AGI includes amounts identified on the following line(s) and Schedule(s): *[List lines and Schedules where farm income was reported for each tax year.]*

Lines and Schedules used to report Farm income in 2007 _____
 Lines and Schedules used to report Farm income in 2008 _____
 Lines and Schedules used to report Farm income in 2009 _____

- reported nonfarm average AGI was \$ _____ based on the following amounts:
[List each tax year and nonfarm AGI amounts for each year.]

Reported Nonfarm income in 2007 _____
 Reported Nonfarm income in 2008 _____
 Reported Nonfarm income in 2009 _____

[Include the following, if applicable.]

Although the calculated *[insert “average nonfarm AGI” or “average farm AGI”, as applicable]* indicated in this letter exceeds the applicable AGI limitation, I believe that *[insert name of producer]* complies with the average AGI limitation requirements for the reasons that are set forth in detail in the space below or the attached document. *[insert name of producer]* has represented to me that the attached information is, to the best of *[his/her]* knowledge, true, correct, and complete. I am not aware of any discrepancies and do not have any reason to believe otherwise.

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

Signed
[insert name of CPA or attorney, as applicable], [insert title, “CPA” or “Attorney”, as applicable]

Dated: *[insert date]*

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*--189 Average AGI Compliance Certification (Continued)

E Option Available for Spouses for Joint Tax Return Filers

In addition to the Average AGI Compliance Certification requirements in subparagraph A, a person who filed joint tax returns may provide a certification statement from by a CPA or an attorney that includes **both** of the following:

- specifies the manner in which income would have been declared and reported had the persons filed 2 separate tax returns
- the total allocations of income are consistent with the information that supports the filed joint tax returns.

F Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers

The following is an example of CPA or attorney statement for AGI compliance certification and verification purposes with the allocation of income between the filers of a joint tax return.

<p><i>[insert name]</i> <i>[insert street and/or mailing address.]</i> <i>[insert City, State ZIP Code]</i></p>
<p><i>[insert date]</i></p> <p><i>[insert State Office Name]</i> <i>[insert street and/or mailing address]</i> <i>[insert city, State ZIP Code]</i></p>
<p>I, <i>[insert name]</i>, am <i>[insert "a certified public accountant (CPA)" or "an attorney" as appropriate]</i> practicing in <i>[insert city, State]</i>. My license identification number is <i>[insert license number]</i> in <i>[State]</i>.</p> <p>I have been asked by <i>[insert name of producer]</i> to certify that <i>[insert name of producer]</i> is in compliance with the average adjusted gross income (AGI) limitations for the following <i>[insert the applicable program year(s) and limitations]</i>, pursuant to Section 1604 of the Food, Conservation, and Energy Act of 2008, 7 U.S.C. 1308-3a.</p> <p>I understand that an inquiry by USDA with the Internal Revenue Service (IRS) has indicated that income tax returns filed with the IRS by <i>[insert name of producer]</i> reported income that may exceed the applicable AGI limits. For purposes of this letter and my representations below, my "certification" is limited only to my knowledge of <i>[insert name of producer]</i> federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by <i>[insert name of producer]</i>. <i>[Insert name of producer]</i> has represented to me that the information supplied to me is, to the best of <i>[his/her]</i> knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, Section 10.34 (d), I relied in good faith without verification upon the information provided by <i>[insert name of producer]</i>; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns that I did not prepare.</p> <p>I acknowledge that I have read, understand, and agree to, the terms and conditions of the enclosure (AGI enclosure 1) received by <i>[insert name of producer]</i> with the following conditions:</p> <ul style="list-style-type: none"> • I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that <i>[insert name of producer]</i> complies with the applicable average AGI limitations. • I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client's AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate. • Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.

--*

***--189 Average AGI Compliance Certification (Continued)**

F Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers (Continued)

The following are correct statements:

- Based on a representation provided by *Mr and Mrs. Farmer [insert name of producer]*, or the confirmations of *[their]* e-filed federal income tax returns *[insert the applicable tax return form number]*, the *[2007, 2008, and 2009 (if for 2011) or 2008, 2009 and 2010 (if for 2012)]* federal income tax returns which are used to compute Adjusted Gross Income eligibility for Program Year *[insert the program year]* were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that, consistent with the definitions in 7 CFR Part 1400, "farm income" means income or benefits derived from or related to sources and activities listed at 7 CFR § 1400.501, and "nonfarm income" is the total adjusted gross income minus the total farm income".

Note: Farm income does not include wages earned from farming, dividends, oil & gas lease, oil & gas royalties or land damages.

- According to the most recent **joint** returns filed for the years identified above, *Mr and Mrs. Farmer's [insert names of producers]:*
 - reported average AGI was \$ _____ based on the following amounts from line 37:
[List the amount entered on line 37 for each tax year.] (Example is for the 2011 program year)

Total Adjusted Gross Income reported on Line 37 in 2007	_____
Total Adjusted Gross Income reported on Line 37 in 2008	_____
Total Adjusted Gross Income reported on Line 37 in 2009	_____

 - reported farm average AGI was \$ based on the following amounts:
[List each tax year and farm AGI amounts for each year.]

Note: Farm income does not include wages earned from farming, dividends, oil & gas lease, oil & gas royalties or land damages. Report the **net farm income** and not the gross farm income.

Example: Report the net amount shown on line 36 and not the gross amount shown on line 11 of the Schedule F.

Farm Income reported in 2007	_____
Farm Income reported in 2008	_____
Farm Income reported in 2009	_____

 - reported farm average AGI includes amounts identified on the following line(s) and Schedule(s):
[List lines and Schedules where farm income was reported for each tax year.]

Lines and Schedules used to report Farm income in 2007	_____
Lines and Schedules used to report Farm income in 2008	_____
Lines and Schedules used to report Farm income in 2009	_____

 - reported nonfarm average AGI was \$ _____ based on the following amounts:
[List each tax year and nonfarm AGI amounts for each year.]

Reported Nonfarm income for 2007	_____
Reported Nonfarm income for 2008	_____
Reported Nonfarm income for 2009	_____

--*

*--189 Average AGI Compliance Certification (Continued)

F Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers (Continued)

- Although the calculated *[insert "average nonfarm AGI" or "average farm AGI", as applicable]* indicated in this letter exceeds the applicable AGI limitation, I believe that Jane Farmer *[insert name of producer]* complies with the average AGI limitation requirements for the reasons that are set forth in detail in the space below **and** the attached document. Jane Farmer *[insert name of producer]* has represented to me that the attached information is, to the best of *[his/her]* knowledge, true, correct, and complete. I am not aware of any discrepancies and do not have any reason to believe otherwise.

[Include the following, if applicable]

According to the most recent returns filed for the years identified above, *Jane Farmer's*:

- Reported average AGI would have been \$ _____ based on the following amounts had he/she and spouse filed separate tax returns for each of the applicable years:

[List the dollar amount of individual's share of total AGI from line 37 of tax return.]

Note: Salaries are **not** considered separate income in community property states.

Individual's Share of AGI reported on Line 37 in 2007 _____
 Individual's Share of AGI reported on Line 37 in 2008 _____
 Individual's Share of AGI reported on Line 37 in 2009 _____

- reported farm average AGI would have been \$ _____ based on the following amounts had *[he/she and spouse]* filed separate tax returns for each of the applicable years:

[List each tax year and farm AGI amounts for each year.]

Note: Farm income does not include wages earned from farming, dividends, oil & gas lease, oil & gas royalties or land damages.

Farm Income reported in 2007 _____
 Farm Income reported in 2008 _____
 Farm Income reported in 2009 _____

- reported farm average AGI includes amounts represented on the following line(s) and Schedule(s):

[List lines and Schedules where farm income was reported for each tax year.]

Lines and Schedules used to report Farm income in 2007 _____
 Lines and Schedules used to report Farm income in 2008 _____
 Lines and Schedules used to report Farm income in 2009 _____

- reported nonfarm average AGI was \$ _____ based on the following amounts had he/she and spouse filed separate tax returns for each of the applicable years:

[List each tax year and nonfarm AGI amounts for each year.]

Reported Nonfarm income for 2007 _____
 Reported Nonfarm income for 2008 _____
 Reported Nonfarm income for 2009 _____

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

(Insert additional comments if needed.)

Signed

[insert name of CPA or attorney, as applicable], [insert title, "CPA" or "Attorney", as applicable]

Dated: *[insert date]*

Enclosure: (Attach documents or a spread sheet showing the method of how and why the income was divided between the individuals filing the joint return.)

--*

--189 Average AGI Compliance Certification (Continued)--**G Verifying AGI Certifications**

COC or reviewing authority may do the following:

- question all or part of an AGI certification provided by an individual or entity
- request documentation, such as tax records, from the individual or entity
- use requested information to verify certifications made by the individual or entity for AGI certification purposes.

COC or reviewing authority shall record the following in COC or STC minutes:

- individuals and entities reviewed
- findings and results of reviews
- determinations of compliance or noncompliance with each AGI limitation.

COC or reviewing authority shall provide the following:

- written notice to the individuals and entities of results
- appeal rights according to 1-APP, if any determination is considered adverse.

H Deadline for AGI Certifications and Consents to Disclose

AGI certification and consent to disclose **must** be submitted:

- according to the deadlines established by the applicable programs
- **before** issuing any program benefit subject to AGI provisions.

I Multi-County Producers

Individuals or legal entities with multi-county farming interests will submit the required AGI certifications and consents to disclosure only in the recording county.

The recording county will do the following:

- make any AGI compliance determinations, if necessary
- set values in the eligibility files reflective of the certification or determination
- share the information with other counties according to paragraphs 228 and 229.

190 Rules for Special Cases

A Acceptable Documentation

For a person or legal entity, including a foreign person or legal entity that does **not** have tax records or is **not** required to file tax returns, acceptable forms of AGI documentation may include, but are **not** limited to, the following:

- annual budgets and statement of operations
- annual public financial disclosures
- financial statements
- other documentation as deemed acceptable by the reviewing authority.

B Churches, Clubs, Fraternal Organizations, Societies, and Similar Associations

Persons who attend a church or belong to a club, fraternal organization, association, or similar type of entity that is requesting payments or benefits:

- do **not** hold an ownership interest in the entity
- are **not** required to submit an AGI certification for the entity to meet AGI provision.

Note: The church, club, etc. are required to provide an AGI certification.

C Multi-Year Contracts and Agreements

For program contracts and agreements that extend more than 1 crop year, program year, or FY, the average AGI determination will:

- be based on the 3 taxable years preceding the most immediately preceding complete taxable year for which the contract or agreement is approved

Note: For a successor to an approved CRP-1, the 3-year period is based on the approval date of succession, **not** on the original approval date of CRP-1. See
 --subparagraph G. The approval date of succession is the effective date of change in interest in the CRP land according to 2-CRP.--

- be made once and apply for the entire term of the contract or agreement.

190 Rules for Special Cases (Continued)

D Succession-in-Interest

The average AGI limitations, according to this part, do **not** apply to multi-year contracts; such as CRP-1's that were effective **before** October 1, 2008. The average AGI provisions in this part were **not** part of the original contract or agreement when executed.

If succession occurs to a multi-year contract or agreement that was effective:

- **before** FY 2009, the successors **will not** be subject to AGI provisions in this part on the multi-year contract or agreement * * *
- for FY 2009 or subsequent years, the successors **will** be subject to AGI provisions on the multi-year contract or agreement.

Note: See Exhibit 10 for the applicable payment eligibility/limitation rules and forms required for CRP.

E Which AGI Rule Applies to CRP Contracts

This table provides guidance on which:

- payment limitation and rules apply to CRP contracts
- AGI certification form should have been filed or must be filed at the time of contract approval.

Note: Follow subparagraph 189 C to determine which business types are required to file AGI certifications.

Original Contract Approved →	Before May 13, 2002				On or After May 13, 2002, and Before October 1, 2008	On or After October 1, 2008
	No		Yes			
Rex Extended	No		Yes			
Contract Extended in 2009	No	Yes	No	Yes		
AGI Rule	Not	4-PL	1-PL	4-PL	1-PL	4-PL
Required Form	Subject to AGI Provisions	* * * CCC-931	CCC-526 or CCC-526C	* * * CCC-931	CCC-526 or CCC-526C	* * * CCC-931

***--Notes:** For CRP continuous contracts approved between May 13, 2002, and September 30, 2002, that were effective for program year 2002, AGI provisions are **not** applicable. See 2-CRP, subparagraph 131 A for additional information. CCC-926 may have been used and was acceptable before CCC-931 was made available.--*

190 Rules for Special Cases (Continued)

G Contract Revisions (Continued)

If the contract is revised because...	AND the new producer has...	AND the producer is...	THEN an AGI certification is...
an existing producer's share was increased from 0 percent		<ul style="list-style-type: none"> • an individual • entity without members 	required for year the producer was originally added to the contract with a 0 percent share.
		<ul style="list-style-type: none"> • joint operation • entity with members 	required as follows for the year the producer was originally added to the contract with a 0 percent share: <ul style="list-style-type: none"> • the producer, except for a joint operation • each member with an ownership share greater than 0 percent.
a new member is added to a joint operation or an entity with members			required for year the member was added to the operation with an ownership share greater than 0 percent. See exception in subparagraph H.

H Exception to Year AGI Certification Must Be Filed

If a producer or member of an entity or joint operation was previously associated with the CRP contract, then the original AGI certification continues to apply for that producer or member if their role changes.

Example: John Farmer has 100 percent interest in a CRP contract approved in 2010.

Farmers LLC replaces John Farmer as a producer on the CRP contract in 2012. John Farmer is a member of Farmers LLC and has a 100 percent ownership interest in Farmers LLC.

Because John Farmer was already associated with the contract, the 2010 AGI certification continues to be applicable for John. However, an AGI certification **must** be filed for 2012 for Farmers LLC.

190 Rules for Special Cases

***--I Examples of Applicable AGI Years for Succession to DCP and CRP Contracts**

In cases where there are questions on DCP/ACRE or CRP contract provisions, contact the appropriate program division. For AGI questions, contact PECD. In all cases, review 1-DCP or 2-CRP, as applicable. The following are examples of applicable AGI years for succession to DCP/ACRE and CRP contracts:

- **DCP/ACRE Rule.** Use the same rule for both original contract holder and successor to determine which AGI years to use. Start with the program year, skip the previous year, and use the 3 years before that, as follows.

The **2011 program year**, signup occurred October 1, 2010, through June 1, 2011. The contract year is the 2011 program year or FY, October 1, 2010, through September 30, 2011.

- Original contract holder signed the contract in December 2010. 2007, 2008, and 2009 are used for **2011** AGI.
- Successor purchased the land August 1, 2011, and notified the County Office September 1, 2011. County Office approved succession on October 1, 2011. Effective date of succession is August 1, 2011. 2007, 2008, and 2009 are used for **2011** AGI.
- **CRP Rule for Original Contract Holders.** For effective date of contract, see 2-CRP. Skip the previous year of the initial contract year and use the 3 years before the initial year of the contract, as follows.
 - Original contract holder's contract was approved by COC on June 1, 2011. Contract is effective October 1, **2011**. First payment is October 2012. 2007, 2008, 2009 are used for **2011** AGI.
 - Original contract holder's contract was approved by COC on June 1, 2011. Contract is effective October 1, **2012**. First payment is October 2013. 2007, 2008, 2009 are used for **2011** AGI.
- **CRP Rule for Successors.** Start with the date that caused the succession (date the land was purchased; date of inheritance), skip the previous year and use the 3 years before that.
 - Successor purchased land June 1, 2012. County Office is notified August 1, 2012. COC approved successor on October 1, 2012. Effective date of succession is determined according to 2-CRP as June 1, 2012. 2008, 2009, and 2010 are used for **2012** AGI.
 - Successor inherited land June 1, 2012. County Office is notified January 12, 2013. COC approved successor on January 19, 2013. Effective date of succession is determined according to 2-CRP as June 1, 2012. 2008, 2009, and 2010 are used for **2012** AGI.--*

191 Determining AGI and Average AGI

A Determining Total AGI (Farm and Nonfarm)

Determine AGI according to the following table.

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

191 Determining AGI and Average AGI (Continued)

B Using IRS Data for AGI Determinations

This table provides guidance on AGI determinations using data reported to IRS.

IF determining AGI for...	THEN see IRS Form...	AND use the amount entered on...
corporations	1120	*--either of the following: <ul style="list-style-type: none"> • line 30 (total taxable income) plus line 19 (charitable contributions) • for S corporations, use only IRS-1120S, line 21 (ordinary business income).--*
estates or trusts	1041	line 22 (taxable income) plus line 13 (charitable *--deductions) for years 2000 through 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 through 2011.
persons	1040	<ul style="list-style-type: none"> • line 37 (AGI) for 2005 through 2011 • line 36 (AGI) for 2004 • line 34 (AGI) for 2003 • line 35 (AGI) for 2002 • line 33 (AGI) for 2001 • line 33 (AGI) for 2000.
tax-exempt or charitable organizations	990-T	line 34 (unrelated business taxable income) minus income that CCC determined to be from noncommercial activity for years 2000 through 2011.--*

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

C Applicable Years for Determining Average AGI

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

IF crop year is...	THEN Average AGI will be based on the following years...
2009	2005, 2006, and 2007.
2010	2006, 2007, and 2008.
2011	2007, 2008, and 2009.
2012	2008, 2009, and 2010.
--2013	2009, 2010, and 2011.--

199 Verifying Average AGI Certifications

A Required Verification of Average AGI

--The review and verification of average AGI compliance certifications submitted by persons or legal entities is required to:--

- ensure the accuracy of payments
- maintain the integrity of programs subject to average AGI limitations
- prevent issuing program payments to persons and legal entities that are not in compliance with the average AGI limitations.

B Data Exchanged Between FSA and IRS

FSA and IRS have finalized a data-sharing process for average AGI compliance and verification. IRS will report the results of this process to FSA on a regular basis. FSA will use this information to determine the following:

- whether a program participant complies with the average AGI limitations
- if further review is required.

C Schedules for Average AGI Compliance Activities

See:

- Exhibit 11 for the schedule for average AGI compliance actions for 2009 and 2010 crop, program, and FY
- Exhibit 12 for the schedule for average AGI compliance actions for 2011 and 2012 crop, program, and FY.

D State and County Office Duties and Responsibilities

State and County Office duties and responsibilities include the following:

- publicize average AGI limitation provisions
- *--provide persons or legal entities copies of CCC-929, CCC-931, and CCC-933
- make available the fact sheets on the average AGI provisions and the AGI verification process
- emphasize the importance that all program participant persons or legal entities timely complete and submit CCC-931 and CCC-933.--*

200 Disclosing Information**A Written Consent for IRS to Disclose Information**

*--The average AGI verification process begins with persons or legal entities providing written consent to IRS to:

- use tax information on file
- disclose certain tax-related information to CCC/FSA for AGI compliance verification purposes.

B Consent From an Individual

CCC-931 or CCC-933 is to be used by an individual with a Social Security number that is either of the following:

- a program participant in 2009 and subsequent years
- a member of a legal entity that is a program participant.

C Consent From a Legal Entity

CCC-931 or CCC-933 is to be used by a legal entity with EIN that is either of the following:

- a program participant in 2009 and subsequent years
- a member of another legal entity that is a program participant.

Note: CCC-931 or CCC-933 must be submitted under the same name and TIN as used for tax filing purposes.

Example: A revocable trust identified by the grantor's Social Security number must submit CCC-931 or CCC-933 for an individual with the grantor's name. The name of the revocable trust shall **not** be included on CCC-931 or CCC-933. The County Office shall update the AGI compliance values in the revocable trust's Producer Eligibility file according to the grantor's certifications on CCC-931 or CCC-933.--*

200 Disclosing Information (Continued)

D Time Period of Consent for Disclosure

*--Selection of the 2009 and subsequent program year applies to persons or legal entities:

- in programs subject to 2009, 2010, 2011, 2012, or 2013 average AGI compliance
- who filed CCC-931 or CCC-933 an acceptable statement from CPA or attorney for 2009 and subsequent year average AGI compliance and information disclosure.

Note: Persons or legal entities are to select only the year for which program payments are requested.

E Validity of Written Consent

Consent for the disclosure of tax information is valid only if received by IRS within 120 calendar days of the signature date affixed on CCC-931 or CCC-933.

F Privacy and Confidentiality Safeguards

Follow the actions described in the following table to safeguard the privacy and confidentiality of the information provided by the program participants.

IF the person or legal entity is required to...	THEN FSA personnel are required to...
<p>complete CCC-931 or CCC-933, as:</p> <ul style="list-style-type: none"> • an individual • a legal entity • a member of a legal entity or joint operation 	<ul style="list-style-type: none"> • accept all CCC-931's and CCC-933's for program participants • review CCC-931's and CCC-933's for:--* <ul style="list-style-type: none"> • complete name • correct address • TIN • year selection • signature and related authorities • signature date.

200 Disclosing Information (Continued)

F Privacy and Confidentiality Safeguards (Continued)

*..

IF the person or legal entity is required to...	THEN FSA personnel are required to...
<p>provide or mail completed CCC-931's and CCC-933's directly to the FSA County Office or Service Center at the address specified on CCC-931 or CCC-933</p>	<p>for all CCC-931's and CCC-933's accepted from participants and determined:</p> <ul style="list-style-type: none"> • incorrect or incomplete: <ul style="list-style-type: none"> • return CCC-931 or CCC-933 to the participants • assist the participants to correctly complete CCC-931 or CCC-933 • correct: <ul style="list-style-type: none"> • date stamp with current receive date • make and retain a copy of CCC-931's and CCC-933's for producer eligibility files • collect and bundle in groups of 100 or less all CCC-931's and CCC-933's accepted as correct • complete and include 2 copies of IRS-3210 • send bundles by USPS on a regular basis to IRS at the address specified on IRS-3210 <p>Notes: If receipts total more than 100 per workweek, group and mail more than once weekly.</p> <p>See Exhibit 8 for an example of a completed IRS-3210.</p> <ul style="list-style-type: none"> • USPS First-Class mail exception applies.
<p>coordinate the annual filing of CCC-931 and CCC-933 with the filing of an application or a request for payments and benefits under all programs subject to the average AGI limitations</p>	<p>coordinate the sending of CCC-931's and CCC-933's to IRS with the actions of recording the average AGI certification values from the participant's CCC-931's and CCC-933's in the web-based eligibility files.</p>

Note: A completed CCC-931 or CCC 933 must be received by IRS within 120 calendar days of the signature date affixed by the person or legal entity for the consent to disclosure of tax information to be considered valid.--*

200 Disclosing Information (Continued)***--G CCC-929, CCC-931, and CCC-933 Availability**

Blank CCC-929, CCC-931, and CCC-933 will be available:

- to all participants of 2009 and subsequent year programs subject to AGI compliance
- at each FSA Service Center
- online at <http://intranet.fsa.usda.gov>.

H Incomplete or Illegible CCC-931's and CCC-933's

All CCC-931's and CCC-933's received and considered unacceptable by IRS will:

- be returned to the FSA Service Center's address listed on CCC-931 or CCC-933
- include a letter of explanation
- include the requirement to submit a new, completed CCC-931 or CCC-933.

FSA Service Center personnel will contact the person or legal entity to:

- explain the reasons for rejection
- assist the person or legal entity in correctly completing and submitting to FSA a correct CCC-931 or CCC-933.

Note: See Exhibit:

- 13 for the IRS letter of explanation
- 13.5 for explanation of IRS rejection message and recommended FSA actions.

I Failure to Submit Completed CCC-931's or CCC-933's

Persons or legal entities that choose **not** to submit a completed CCC-931 or CCC-933 will be:

- determined noncompliant with the AGI limitations for the 2009 and subsequent year crop, program, and FY's
- determined ineligible for program benefits for the year or years that benefits were requested
- required to refund **all** 2009 and subsequent year payments received under the--* programs, subject to the average AGI limitations.

--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information*A Acceptance of CCC-931's and CCC-933's**

County Offices shall accept **only** complete CCC-931's and CCC-933's. A complete CCC-931 or CCC-933 consists of either of the following:

- CCC-931 or CCC-933 with all items completed
- CCC-931 or CCC-933 with items 1 through 4 completed, Part B signed by the person or legal entity, and a statement from an attorney or CPA that meets the requirements in subparagraph 189 B.

If a person or legal entity chooses to provide an attorney or CPA statement, both the statement and CCC-931 or CCC-933 **must** be submitted to the County Office **before** CCC-931 or CCC-933 is considered complete and AGI compliance values may be updated in the Producer Eligibility file. The County Office shall:

- send the original CCC-931 or CCC-933 to IRS as provided in subparagraph 200 E
- attach the statement to the copy of CCC-931 or CCC-933 retained by FSA.

B FAXed and Scanned CCC-931's or CCC-933's

FAXed and scanned CCC-931's or CCC-933 may be accepted if:

- all requirements of 1-CM, paragraph 680 are met
- these actions do **not** alter the existing fiduciary capacities or approved signature authorities.

C Signature Authority for CCC-931's and CCC-933's

The authority for an individual to complete and sign CCC-931 or CCC-933 on behalf of--* another individual or legal entity:

- **must** be compatible and acceptable to **both** FSA and IRS
- is more restrictive than 1-CM provisions for FSA program purposes.

Note: FSA-211 **cannot** be used as evidence of signature authority.

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)**

C Signature Authority for CCC-931's and CCC-933's (Continued)

The following table provides the authorizations that are compatible and acceptable to **both** FSA and IRS for CCC-931 or CCC-933.

Authority/Authorization	Acceptable for CCC-931 or CCC-933	Explanation, Comments, and Restrictions
Individual for a legal entity.	Yes	Relationship to the legal entity must be included in the signature block. See 1-CM, paragraph 711.
Parent or legal guardian for a minor child.	Yes	Relationship to minor child must be included in the signature block. See 1-CM, paragraph 677.
Durable power of attorney.	Yes	FSA accepts a durable power of attorney for FSA program-related purposes on review and approval of OGC. See 1-CM, paragraphs 728, 729.4, and 729.6. IRS accepts durable powers of attorney for tax filing and related purposes, if the attorney-in-fact has full authority to represent the grantor in all Federal tax matters. Copies of durable powers of attorney must be attached to CCC-931's and CCC-933's when submitted to IRS.
FSA-211.	No	Not acceptable to IRS.
Living spouses for each other.	No	Not acceptable to IRS.
IRS-2848.	No	Not acceptable to FSA.

D Filing CCC-931's or CCC-933's for Deceased Persons

CCC-931 or CCC-933 for an individual, now deceased, may be filed by any of the--* following:

- surviving spouse
- individual other than surviving spouse who is authorized to represent the deceased individual
- entity responsible for filing, or will cause the filing, of the final Federal tax return for the deceased individual.

--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)*D Filing CCC-931's or CCC-933's for Deceased Persons (Continued)**

Proof of authorization **must** be provided by all individuals and entities, **except** the surviving spouse. Proof of authorization includes, but is **not** limited to, the following:

- court order of appointment
- trust agreement
- will.

Proof of authorization to represent the deceased individual **must** be attached to CCC-931 or CCC-933 when referred to the IRS.

Consult with the regional attorney on all questionable cases.

This policy is applicable **only** to CCC-931's and CCC-933's because filing CCC-931's or CCC-933's:

- will ordinarily be a 1-time occurrence
- is compatible with the IRS requirements applied to tax and related forms filed with the IRS on behalf of deceased individuals
- is consistent with the regulation at 7 CFR Part 707 in that the claimant for such payment or benefit earned by the deceased individual when living now has authority to seek or apply for the decedent's payment.

Policy in this subparagraph is for CCC-931's and CCC-933's **only**. Follow 1-CM for--* signature authority and processing all other forms for FSA and CCC program purposes.

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax--*
Information (Continued)**

E Completing CCC-931's for 2009 and Subsequent Years

Complete CCC-931's according to the following table.

Item	Instruction
1	Enter name and address of the FSA County Office or Service Center of the recording county of the person or legal entity.
2	<p>Enter the name and address of the person or legal entity that is requesting benefits under any of the commodity, price support, conservation, or disaster assistance programs.</p> <p>Note: Enter the same name and address as used on filed tax returns if the name and address on record at FSA is different.</p>
3	Enter complete SSN or TIN of the person or legal entity represented in item 2.
4	<p>Select the year for which program benefits are being requested. Select only 1.</p> <p>Note: The year selected determines the 3-year period that will be used in the calculation of the applicable average AGI for payment eligibility.</p>
5	Select the response that describes the average AGI (all income from both farm and nonfarm sources) for the applicable 3-year period selected in item 4. Select only 1.
6	<p>Select the appropriate response that describes whether or not the average adjusted gross farm income for the applicable 3-year period selected in item 4 was at least 66.66 percent of the average AGI, both farm and nonfarm income. This AGI is the amount of AGI reported to IRS.</p> <p>If "YES" is selected, and if income includes the sale of farm equipment or production inputs and services to farmers, ranchers, foresters and farming operations, review the definition of farm income on CCC-931, page 2.</p> <p>Example: Jake has requested 2012 DCP benefits. Jake's average AGI was \$900,000. His farm AGI was \$650,000 from the production of crops and livestock.</p> <p>His nonfarm AGI was comprised of \$150,000 from his aerial spraying service and \$100,000 from oil and gas royalties.</p> <p>Over 66.66 percent of Jake's total AGI was from the production of crops (\$650,000 divided by \$900,000 times 100 equals 72.22 percent). Jake also has nonfarm AGI from his aerial spraying; a custom service to farmers and ranchers, that now must be considered farm AGI for payment eligibility purposes.</p> <p>Jake's farm AGI is now \$800,000 (the total of \$650,000 and \$150,000); nonfarm AGI is \$100,000. Jake's farm AGI exceeds \$750,000. Jake is eligible for 2012 DCP benefits, except for direct payments.</p>

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax--*
Information (Continued)**

E Completing CCC-931's for 2009 and Subsequent Years (Continued)

Item	Instruction
7	<p>Select the response that describes the average adjusted gross farm income for the applicable 3-year period for the program year selected in item 4. Adjusted gross farm income is determined separately for each of the 3 years and then averaged to determine the average adjusted gross farm income used on CCC-931.</p> <p>Note: Adjusted gross farm income is not the same as the gross farm income reported to IRS. Adjusted gross farm income for FSA purposes is comparable to the net income from farming and related operations. In many cases, this may be the same as the “Net Farm Profit” or “Loss” determined on Schedule F of IRS-1040. However, FSA’s definition of adjusted gross farm income also includes income from the sale of items such as agricultural related land, breeding livestock, and agricultural/conservation easements. Additionally, it is important to consider if income was received from the sale of farm related equipment and/or if income was received from the sale of production inputs and services before answering this question. Usually, income from these items is not considered farm income. However, if the income from farming is at least 66.66 percent of the total AGI from all sources, both farm income and nonfarm income, a special rule applies and income from these items must be included in the adjusted gross farm income. See the definition of farm income on CCC-931, page 2 for full details of what to include in adjusted gross farm income.</p>
8	<p>Select the response that describes the average adjusted gross nonfarm income for the applicable 3-year period for the program year selected in item 4. Adjusted gross nonfarm income is determined separately for each of the 3 years and then averaged to determine the average adjusted gross nonfarm income used on CCC-931.</p> <p>Adjusted gross nonfarm income is determined by subtracting the adjusted gross farm income for a tax year from the AGI as reported to IRS for the tax year.</p>
9	<p>Read the acknowledgments, responsibilities and authorizations, before affixing signature.</p> <p>For all types of entities, CCC-931 must be signed by a duly authorized representative.</p>
10	<p>Enter the title or relationship if signing in a representative capacity.</p>
11	<p>Enter the signature date in month, day, and year format.</p>

--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax--
Information (Continued)

F Example of CCC-931

The following is an example of a completed CCC-931.

<p>This form is available electronically.</p> <p>CCC-931 U.S. DEPARTMENT OF AGRICULTURE (12-07-11) Commodity Credit Corporation</p> <p>AVERAGE ADJUSTED GROSS INCOME (AGI) CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION</p>		<p>1. Return completed form to:</p> <p>Front County FSA Office 1234 Dodge Rd. Somewhere, OK XXXXX-XXXX</p> <p><i>(Name and address of FSA county office or USDA Service Center)</i></p>
<p><small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et. seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. PLEASE RETURN COMPLETED FORM TO FSA AT THE ABOVE ADDRESS.</small></p>		
<p>2. Name and Address of Individual or Legal Entity (Including Zip Code)</p> <p>Wildcat Land and Livestock LLC 9650 Circle Rd. Some Town, OK XXXXX-XXXX</p> <p><i>(Enter the same name and address as used for the tax return specified in Part B.)</i></p>	<p>3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)</p> <p>XX-XXXXXXX</p>	
<p>PART A - CERTIFICATION OF AVERAGE ADJUSTED GROSS INCOME</p>		
<p>4. Select the program year for payment eligibility (Check only one)</p> <p>A. <input type="checkbox"/> 2009 The 3-year period for calculation of the average AGI will be the taxable years of 2007, 2006 and 2005.</p> <p>B. <input type="checkbox"/> 2010 The 3-year period for calculation of the average AGI will be the taxable years of 2008, 2007 and 2006.</p> <p>C. <input type="checkbox"/> 2011 The 3-year period for calculation of the average AGI will be the taxable years of 2009, 2008 and 2007.</p> <p>D. <input checked="" type="checkbox"/> 2012 The 3-year period for calculation of the average AGI will be the taxable years of 2010, 2009 and 2008.</p>		
<p>5. I certify that the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$1,000,000</p> <p>B. <input type="checkbox"/> More than \$1,000,000</p>	<p>6. Of the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4), was at least 66.66 percent from farming, ranching or forestry operations?</p> <p>A. <input checked="" type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	<p><small>NOTE: If at least 66.66 percent of the average adjusted gross income of the individual or legal entity is derived from farming, ranching or forestry operation, then income from the sale of farm equipment or production inputs and services to farmers, ranchers and foresters must be included as farm income.</small></p>
<p>7. I certify that the average adjusted gross farm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$750,000 B. <input type="checkbox"/> More than \$750,000</p>		
<p>8. I certify that the average adjusted gross nonfarm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$500,000 B. <input type="checkbox"/> More than \$500,000 but less than (or equal to) \$1,000,000 C. <input type="checkbox"/> More than \$1,000,000</p>		
<p>PART B - CONSENT TO DISCLOSURE OF TAX INFORMATION</p> <p>Pursuant to 26 U.S.C. §6103, I hereby authorize the Internal Revenue Service (IRS) to review the following items of "return information" (as defined in 26 U.S.C. §6103(b)(2)) from the returns (as specified below) of the individual or legal entity identified in Item 2 for the taxable years indicated in Item 4:</p> <p>Form 1040 and 1040NR filers: farm income or loss; adjusted gross income Form 1041 filers: farm income or loss, charitable contributions, income distribution deductions, exemptions, adjusted total income; total income Form 1065 filers: guaranteed payments to partners, ordinary business income</p> <p>Form 1120, 1120A, 1120C filers: charitable contributions, taxable income Form 1120S filers: ordinary business income Form 990T: unrelated business taxable income</p> <p>I understand the IRS will review these items of return information in order to perform calculations, the results of which I authorize to be disclosed to officers and employees of the United States Department of Agriculture (USDA) for use in determining the individual's or legal entity's eligibility for specified payments for various commodity and conservation programs. The calculations performed by the IRS use a methodology prescribed by the USDA. In addition, I am aware that the USDA may use the information received for compliance purposes related to this eligibility determination, including referrals to the Department of Justice.</p> <p>Specially, the IRS will disclose to the USDA the individual's or legal entity's name and TIN, and inform the USDA if, pursuant to its calculations, the average Adjusted Gross Income (AGI) is above or below eligibility requirements as prescribed by the Food, Conservation and Energy Act of 2008. The IRS will also disclose to the USDA the type of return from which the information used for the calculations was obtained.</p> <p>If the IRS is unable to locate a return that matches the taxpayer identify information provided above, or if IRS records indicate that the specified return has not been filed, for any of the taxable years indicated, the IRS may disclose that it was unable to locate a return, or that a return was not filed, for those years, whichever is applicable.</p> <p>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</p> <p>By signing this form:</p> <ul style="list-style-type: none"> - I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form; - I certify that all information contained within this certification is true and correct; and is consistent with the tax returns filed with the IRS; - I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes by filing this form; - I am aware that without this consent to disclosure, the returns and return information of the individual or legal entity identified in Item 2 are confidential and are protected by law under the Internal Revenue Code; - I certify that I am authorized under applicable state law to execute this consent on behalf of the legal entity identified in Item 2 (for legal entity only). 		
<p>9. Signature (By)</p> <p>/s/ William A. Farmer</p>	<p>10. Title/Relationship of the Individual if Signing in a Representative Capacity for a legal entity</p> <p>President, Wildcat Land and Livestock LLC</p>	<p>11. Date (MM-DD-YYYY)</p> <p>02-10-2012</p>
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small></p>		

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax--* Information (Continued)**

F Example of CCC-931 (Continued)

CCC-931 (12-07-11)	Page 2 of 2
GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME – PART A	
<p>Individuals or legal entities that receive benefits under most commodity and conservation programs administered by CCC cannot have incomes that exceed certain limits set by law. For entities, both the entity itself, and its members cannot exceed the income limitations. If a member, whether an individual or an entity, of an entity exceeds the limitations, payments to that entity will be commensurately reduced according to that member's direct or indirect ownership share in the entity. (All members of the entity must also submit this form to verify income limitations are met.)</p> <p>Adjusted Gross Income is the individual's or legal entity's IRS-reported adjusted gross income consisting of both farm and nonfarm income. A three year average of that income will be computed for the three years of the relevant base period identified on the first page of this form to determine eligibility for the applicable program year. For 2012 only, individuals or legal entities with average adjusted gross income greater than \$1 million shall be ineligible for direct payments under the Direct and Counter-cyclical Program</p> <p>Adjusted Gross Farm Income is the part of the yearly adjusted gross income that is farm income. The amount is computed separately for each year and then averaged. Farm income means income related to the following: production of crops, livestock, fish and aquaculture for food; the feeding and rearing of livestock; products produced or derived from livestock; production of specialty crops and unfinished raw forestry products; processing packing, storing and transporting farm, ranch and forestry commodities including renewable energy; production of farm-based renewable energy; the sale of land used for agriculture; sale of land or sale of easements and development rights to agricultural land, water and hunting rights, and environmental benefits; rental or lease of land or equipment used in farming, ranching, forestry operation; payments and benefits from risk management practices, crop insurance indemnities, catastrophic risk protection plans, conservation program and government farm program payments. Individuals or legal entities with average adjusted gross farm income greater than \$750,000 shall be ineligible for direct payments under the Direct and Counter-cyclical Program</p> <p>Adjusted Gross Nonfarm Income is the difference for the year between the filer's <i>adjusted gross income</i> and the filer's <i>adjusted gross farm income</i>. The difference is computed separately for each year and then averaged. Individuals or legal entities with average adjusted gross nonfarm income that exceeds \$500,000 shall be ineligible for commodity program payments, price support benefits, disaster assistance programs, and for the Milk Income Loss Compensation Program. Additionally, individuals or legal entities with average adjusted gross nonfarm income exceeding \$1 million will be ineligible for new contracts or participation in conservation programs after October 1, 2008, unless at least 66.66% of their total average adjusted gross income (sum of farm and nonfarm income) is generated from activities related to farming.</p>	
HOW TO DETERMINE ADJUSTED GROSS INCOME	
<p>Individual – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income and the income from farming, ranching, or forestry operations.</p> <p>Trust or Estate – the adjusted gross income is the total income and charitable contributions reported to IRS.</p> <p>Corporation – the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.</p> <p>Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.</p> <p>Tax-exempt Organization – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.</p>	
GENERAL INFORMATION ON CONSENT TO DISCLOSURE OF TAX INFORMATION – PART B	
<p>This consent allows IRS's access to, and use of, certain items of return information to perform calculations, using a methodology prescribed by the USDA, that will assist USDA in its verification of a program participant's compliance with the adjusted gross income (AGI) limitations necessary for participation in, and receipt of, commodity, conservation, price support or disaster program benefits. This consent also permits the USDA to receive certain items of return information for its eligibility determination.</p> <p>This consent authorizes the disclosure of these items of return information for only the time period specified. Each item of information requested on this form is needed for the IRS to (1) locate, and verify, your tax information; (2) perform the requisite Average AGI calculations; and (3) provide the USDA with the legal entity's name and Taxpayer Identification Number (TIN), the type of return from which the specified items were located for use in the calculation, and whether or not the average AGI is above or below eligibility requirements. The IRS will not provide the USDA with any of the items specified on this consent form that it uses to perform the calculations or the average AGI figure.</p> <p>This form can only be signed by the person authorized under state law to sign this consent for the legal entity identified in Item 2. <u>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</u></p>	
INSTRUCTIONS FOR COMPLETION OF CCC-931	
Item No./Field name	Instruction
1. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed CCC-931 will be submitted.
2. Person or Legal Entity's Name and Address	Enter the person's or legal entity's name and address for commodity, conservation, price support, or disaster program benefits. <i>Enter the name and address as it appeared on the IRS tax returns filed for the taxable years specified in Item 4.</i>
3. Taxpayer Identification Number	In the format provided, enter the complete taxpayer identification number of the person or legal entity identified in Item 2. <i>This will be either a Social Security Number or Taxpayer Identification Number.</i>
4. Program Year	Select the year for which program benefits are being requested. The selection indicates the 3-year period used for the determination of the average adjusted gross income for payment eligibility and the years for which this consent allows access to tax information.
5. Average Adjusted Gross Income	Select the box next to the response that describes the average adjusted gross income for the applicable 3-year period for the program year selected in Item 4. Select only one response.
6. Average Adjusted Gross Income from Farming, Ranching or Forestry	Select the appropriate response to indicate whether or not at least 66.66 percent of the average adjusted gross income was derived from farming, ranching, or forestry operations during the applicable 3-year period selected in Item 4. Select "YES" or "NO" as applicable.
7. Average Adjusted Gross Farm Income	Select the box next to the response that describes the average adjusted gross farm income for the applicable 3-year period for the program year selected in Item 4. Select only one response.
8. Average Adjusted Gross Nonfarm Income	Select the box next to the response that describes the average adjusted gross nonfarm income for the applicable 3-year period for the program year selected in Item 4. Select only one response.
9. Signature	Read the acknowledgments, responsibilities and authorizations, <i>before</i> affixing your signature.
10. Title/Relationship	Enter title or relationship to the legal entity identified in Item 2.
11. Date	Enter the signature date in month, day and year. <i>This form must be returned to FSA within 90 days of the signature date for the consent to be valid.</i>

--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax-- Information (Continued)

G Important Elements and References

The following CCC-931 shows important elements and references.

This form is available electronically.

CCC-931 U.S. DEPARTMENT OF AGRICULTURE
(12-07-11) Commodity Credit Corporation

AVERAGE ADJUSTED GROSS INCOME (AGI) CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION

1. Return completed form to: Name and address of recording County Office. (subparagraph 189 F)

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for recording this information is derived from the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. This information collection is exempt from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. PLEASE RETURN COMPLETED FORM TO FSA AT THE ABOVE ADDRESS.

2. Name and Address of Individual or Legal Entity (Including Zip Code) Name and address used for tax filing purposes if different than current FSA records. (subparagraph 200 C)

3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity) SS INCOME

4. Select the program year for payment eligibility (check only one)

A. 2009 The 3-year period for calculation of the average AGI will be the taxable years of 2007, 2006 and 2005.
B. 2010 The 3-year period for calculation of the average AGI will be the taxable years of 2008, 2007 and 2006.
C. 2011 The 3-year period for calculation of the average AGI will be the taxable years of 2009, 2008 and 2007.
D. 2012 The 3-year period for calculation of the average AGI will be the taxable years of 2010, 2009 and 2008.

5. I certify that the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4) was:
A. Less than (or equal to) \$1,000,000
B. More than \$1,000,000

6. Of the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4), was at least 60% derived from farming, ranching or fishing (including aquaculture) (subparagraph 200 D)
A. YES B. NO

7. I certify that the average adjusted gross farm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:
A. Less than (or equal to) \$750,000 B. More than \$750,000

8. I certify that the average adjusted gross nonfarm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:
A. Less than (or equal to) \$500,000 B. More than \$500,000 but less than (or equal to) \$1,000,000 C. More than \$1,000,000

PART B - CONSENT TO DISCLOSURE OF TAX INFORMATION

Pursuant to 26 U.S.C. §6103, I hereby authorize the Internal Revenue Service (IRS) to review the following items of "return information" (as defined in 26 U.S.C. §6103(b)(2)) from the returns (as specified below) of the individual or legal entity identified in Item 2 for the taxable years indicated in Item 4:

Form 1040 and 1040NR filers; farm income or loss; adjusted gross income Form 1120, 1120A, 1120C filers; charitable contributions, taxable income
Form 1041 filers; farm income or loss, charitable contributions, income distribution deductions, exemptions, adjusted total income; total income Form 1120S filers; ordinary business income
Form 1065 filers; guaranteed payments to partners, ordinary business income Form 990T; unrelated business taxable income

I understand the IRS will review these items of return information in order to perform calculations, the results of which I authorize to be disclosed to officers and employees of the United States Department of Agriculture (USDA) for use in determining the individual's or legal entity's eligibility for specified payments for various commodity and conservation programs. The calculations performed by the IRS use a methodology prescribed by the USDA. In addition, I am aware that the USDA may use the information received for compliance purposes related to this eligibility determination, including referrals to the Department of Justice.

Specially, the IRS will disclose to the USDA the individual's or legal entity's name and TIN, and inform the USDA if, pursuant to its calculations, the average Adjusted Gross Income (AGI) is above or below eligibility requirements as prescribed by the Food, Conservation and Energy Act of 2008. The IRS will also disclose to the USDA the type of return from which the information used for the calculations was obtained.

If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the specified return has not been filed, for any of the taxable years indicated, the IRS may disclose that it was unable to locate a return, or that a return was not filed, for those years, whichever is applicable.

An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.

By signing this form:
- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;
- I certify that the information provided is true and correct; and is consistent with the information provided for AGI compliance verification purposes by filing this form and return information of the individual or legal entity;
- I agree that the information provided is true and correct; and is consistent with the information provided for AGI compliance verification purposes by filing this form and return information of the individual or legal entity;
- I am aware that the information provided is true and correct; and is consistent with the information provided for AGI compliance verification purposes by filing this form and return information of the individual or legal entity;
- I certify that I am acting on behalf of the individual or legal entity to execute this consent on behalf of the legal entity.

9. Signature (By) Restrictions on signature authorities. (subparagraph 200.5 C) Signature date and validity of consent to disclosure. (subparagraph 200 E)

10. Title/Relationship of the Individual if Signing in a Representative Capacity for a legal entity

11. Date (MM-DD-YYYY)

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

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information
(Continued)**

H CCC-931C – For Conservation Programs Only

CCC-931C shall be used **only** for **all** of the following:

- persons and legal entities
- successors to a conservation program contract, or an agreement, approved on or after October 1, 2008, and **before** October 1, 2012.

With the exception of the specific purpose, CCC-931C has the same functionality and requirements as CCC-931. Follow all procedures in this part for the acceptance, referral, and handling of CCC-931C as practiced for CCC-931.--*

***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)**

I Completing CCC-931C's for 2013 and Subsequent Years

Complete CCC-931C's according to this table.

Item	Instruction
1	Enter name and address of the FSA County Office or USDA Service Center of the producer.
2	Enter person or legal entity's name and address for commodity, conservation, and price support program benefits. Note: Use same name and address as used on filed tax returns.
3	Enter complete SSN or TIN of the person or legal entity represented in item 2.
4	Enter program year for which payments and benefits are requested. The program year entered determines the 3-year period used for calculating AGI for payment eligibility and the years for which this consent allows access of tax information for verification purposes.
5	Select box next to the response that describes the average AGI for the applicable 3-year period that corresponds to the program year entered in item 4. This includes all income from both farm and nonfarm sources. Select only 1.
6	Select appropriate response to indicate whether or not at least 66.66 percent of the average AGI was derived from farming, ranching, or forestry operations during the applicable 3-year period that corresponds to the program year entered in item 4. Select "Yes" or "No", as applicable.
7	Select box next to the response that describes the average adjusted gross farm income for the applicable 3-year period that corresponds to the program year entered in item 4. Select only 1.
8	Select box next to the response that describes the average adjusted gross nonfarm income for the applicable 3-year period that corresponds to the program year entered in item 4. Select only 1.
9	Read acknowledgments, responsibilities, and authorizations before affixing signature. For all types of legal entities, CCC-931C must be signed by a duly authorized representative under applicable State law.
10	If signing in a representative capacity for the individual or legal entity in item 2, include the title or relationship.
11	Enter signature date in month, day, and year (MM-DD-YYYY) format.

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*--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

J Example of CCC-931C

The following is an example of a completed CCC-931C.

<p>This form is available electronically.</p> <p>CCC-931C U.S. DEPARTMENT OF AGRICULTURE (11-05-12) Commodity Credit Corporation</p> <p>AVERAGE ADJUSTED GROSS INCOME (AGI) CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION</p> <p><i>For Successors to Conservation Program Contracts and Agreements Only</i></p>		<p>1. Return completed form to:</p> <p>Front County FSA Office 1234 Dodge Rd. Somewhere, OK XXXXX-XXXX</p> <p><i>(Name and address of FSA county office or USDA Service Center)</i></p>
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 <i>et seq.</i>), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. PLEASE RETURN COMPLETED FORM TO FSA AT THE ABOVE ADDRESS.</p>		
<p>2. Name and Address of Individual or Legal Entity (Including Zip Code)</p> <p>Wildcat Land and Livestock LLC 9650 Circle Rd. Some Town, OK XXXXX-XXXX</p> <p><i>(Use the same name and address as used for the tax return specified in Part B.)</i></p>	<p>3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)</p> <p>XX-XXXXXXX</p>	
<p>PART A - CERTIFICATION OF AVERAGE ADJUSTED GROSS INCOME</p>		
<p>4. Enter the program year for contract or agreement succession</p> <p>A. 2013 The period for calculation of the average AGI will be of the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, if the year of succession entered is 2013, the 3-year period for the calculation of the average AGI will be the taxable years of 2011, 2010 and 2009.</p>		
<p>5. I certify that the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$1,000,000 B. <input type="checkbox"/> More than \$1,000,000</p>	<p>6. Of the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4), was at least 66.66 percent from farming, ranching or forestry operations?</p> <p>A. <input checked="" type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	<p>NOTE: If at least 66.66 percent of the average adjusted gross income of the individual or legal entity is derived from farming, ranching or forestry operation, then income from the sale of farm equipment or production inputs and services to farmers, ranchers and foresters must be included as farm income.</p>
<p>7. I certify that the average adjusted gross farm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$750,000 B. <input type="checkbox"/> More than \$750,000</p>		
<p>8. I certify that the average adjusted gross nonfarm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input type="checkbox"/> Less than (or equal to) \$500,000 B. <input checked="" type="checkbox"/> More than \$500,000 but less than (or equal to) \$1,000,000 C. <input type="checkbox"/> More than \$1,000,000</p>		
<p>PART B - CONSENT TO DISCLOSURE OF TAX INFORMATION</p> <p>Pursuant to 26 U.S.C. §6103, I hereby authorize the Internal Revenue Service (IRS) to review the following items of "return information" (as defined in 26 U.S.C. §6103(b)(2)) from the returns (as specified below) of the individual or legal entity identified in Item 2 for the taxable years indicated in Item 4:</p> <p>Form 1040 and 1040NR filers: farm income or loss; adjusted gross income Form 1041 filers: farm income or loss, charitable contributions, income distribution deductions, exemptions, adjusted total income; total income Form 1065 filers: guaranteed payments to partners, ordinary business income</p> <p>Form 1120, 1120A, 1120C filers: charitable contributions, taxable income Form 1120S filers: ordinary business income Form 990T: unrelated business taxable income</p> <p>I understand the IRS will review these items of return information in order to perform calculations, the results of which I authorize to be disclosed to officers and employees of the United States Department of Agriculture (USDA) for use in determining the individual's or legal entity's eligibility for specified payments for various commodity and conservation programs. The calculations performed by the IRS use a methodology prescribed by the USDA. In addition, I am aware that the USDA may use the information received for compliance purposes related to this eligibility determination, including referrals to the Department of Justice.</p> <p>Specially, the IRS will disclose to the USDA the individual's or legal entity's name and TIN, and inform the USDA if, pursuant to its calculations, the average Adjusted Gross Income (AGI) is above or below eligibility requirements as prescribed by the Food, Conservation and Energy Act of 2008. The IRS will also disclose to the USDA the type of return from which the information used for the calculations was obtained.</p> <p>If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the specified return has not been filed, for any of the taxable years indicated, the IRS may disclose that it was unable to locate a return, or that a return was not filed, for those years, whichever is applicable.</p> <p>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</p> <p>By signing this form:</p> <ul style="list-style-type: none"> - I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form; - I certify that all information contained within this certification is true and correct; and is consistent with the tax returns filed with the IRS; - I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes by filing this form; - I am aware that without this consent to disclosure, the returns and return information of the individual or legal entity identified in Item 2 are confidential and are protected by law under the Internal Revenue Code; - I certify that I am authorized under applicable state law to execute this consent on behalf of the legal entity identified in Item 2 (for legal entity only). 		
<p>9. Signature (By)</p> <p>/s/ William A. Farmer</p>	<p>10. Title/Relationship of the Individual if Signing in a Representative Capacity for a legal entity</p> <p>President, Wildcat Land and Livestock LLC</p>	<p>11. Date (MM-DD-YYYY)</p> <p>02-14-13</p>
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small></p>		

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***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)**

J Example of CCC-931C (Continued)

Page 2 of 2

CCC-931C (11-05-12) **GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME – PART A**

Individuals or legal entities that receive benefits under most commodity and conservation programs administered by CCC cannot have incomes that exceed certain limits set by law. For entities, both the entity itself, and its members cannot exceed the income limitations. If a member, whether an individual or an entity, of an entity exceeds the limitations, payments to that entity will be commensurately reduced according to that member's direct or indirect ownership share in the entity. (All members of the entity must also submit this form to verify income limitations are met)

Adjusted Gross Income is the individual's or legal entity's IRS-reported adjusted gross income consisting of both farm and nonfarm income. A three year average of that income will be computed for the three years of the relevant base period identified on the first page of this form to determine eligibility for the applicable program year. Individuals or legal entities with average **adjusted gross income** greater than \$1 million shall be ineligible for direct payments under the Direct and Counter-cyclical Program

Adjusted Gross Farm Income is the part of the yearly adjusted gross income that is farm income. The amount is computed separately for each year and then averaged. **Farm income means income** related to the following: production of crops, livestock, fish and aquaculture for food; the feeding and rearing of livestock; products produced or derived from livestock; production of specialty crops and unfinished raw forestry products; processing, packing, storing and transporting farm, ranch and forestry commodities including renewable energy; production of farm-based renewable energy; the sale of land used for agriculture; sale of land or sale of easements and development rights to agricultural land, water and hunting rights; and environmental benefits; rental or lease of land or equipment used in farming, ranching, forestry operation; payments and benefits from risk management practices; crop insurance indemnities, catastrophic risk protection plans, conservation program and government farm program payments. Individuals or legal entities with average adjusted gross **farm income** greater than \$750,000 shall be ineligible for direct payments under the Direct and Counter-cyclical Program

Adjusted Gross Nonfarm Income is the difference for the year between the filer's *adjusted gross income* and the filer's *adjusted gross farm income*. The difference is computed separately for each year and then averaged. Individuals or legal entities with average adjusted gross **nonfarm income** that exceeds \$500,000 shall be ineligible for commodity program payments, price support benefits, disaster assistance programs, and for the Milk Income Loss Compensation Program. Additionally, individuals or legal entities with average adjusted gross **nonfarm income** exceeding \$1 million will be ineligible for new contracts or participation in conservation programs after October 1, 2008, unless at least 66.66% of their total average adjusted gross income (sum of farm and nonfarm income) is generated from activities related to farming.

HOW TO DETERMINE ADJUSTED GROSS INCOME

Individual – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income and the income from farming, ranching, or forestry operations.

Trust or Estate – the adjusted gross income is the total income and charitable contributions reported to IRS.

Corporation – the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.

Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.

Tax-exempt Organization – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

GENERAL INFORMATION ON CONSENT TO DISCLOSURE OF TAX INFORMATION – PART B

This consent allows IRS's access to, and use of, certain items of return information to perform calculations, using a methodology prescribed by the USDA, that will assist USDA in its verification of a program participant's compliance with the adjusted gross income (AGI) limitations necessary for participation in, and receipt of, commodity, conservation, price support or disaster program benefits. This consent also permits the USDA to receive certain items of return information for its eligibility determination.

This consent authorizes the disclosure of these items of return information for only the time period specified. Each item of information requested on this form is needed for the IRS to (1) locate, and verify, your tax information; (2) perform the requisite Average AGI calculations; and (3) provide the USDA with the legal entity's name and Taxpayer Identification Number (TIN), the type of return from which the specified items were located for use in the calculation, and whether or not the average AGI is above or below eligibility requirements. The IRS will not provide the USDA with any of the items specified on this consent form that it uses to perform the calculations or the average AGI figure.

This form can only be signed by the person authorized under state law to sign this consent for the legal entity identified in Item 2. **An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.**

INSTRUCTIONS FOR COMPLETION OF CCC-931C

Item No./Field name	Instruction
1. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed CCC-931C will be submitted.
2. Person or Legal Entity's Name and Address	Enter the person's or legal entity's name and address for commodity, conservation, price support, or disaster program benefits. <i>Enter the name and address as it appeared on the IRS tax returns filed for the taxable years specified in Item 4.</i>
3. Taxpayer Identification Number	In the format provided, enter the complete taxpayer identification number of the person or legal entity identified in Item 2. <i>This will be either a Social Security Number or Taxpayer Identification Number.</i>
4. Program Year	Enter the year for which program benefits are being requested. The program year entered determines the 3-year period used for the calculation of the average adjusted gross income (AGI) for payment eligibility and the years for which this consent allows access to tax information.
5. Average Adjusted Gross Income	Select the box next to the response that describes the average adjusted gross income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
6. Average Adjusted Gross Income from Farming, Ranching or Forestry	Select the appropriate response to indicate whether or not at least 66.66 percent of the average adjusted gross income was derived from farming, ranching, or forestry operations during the applicable 3-year period entered in Item 4. Select "YES" or "NO" as applicable.
7. Average Adjusted Gross Farm Income	Select the box next to the response that describes the average adjusted gross farm income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
8. Average Adjusted Gross Nonfarm Income	Select the box next to the response that describes the average adjusted gross nonfarm income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
9. Signature	Read the acknowledgments, responsibilities and authorizations, before affixing your signature.
10. Title/Relationship	Enter title or relationship to the legal entity identified in Item 2.
11. Date	Enter the signature date in month, day and year. <i>This form must be returned to FSA within 90 days of the signature date for the consent to be valid.</i>

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***--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)**

K Completing CCC-933's

Complete CCC-933's according to the following table.

Item	Instruction
1	Enter name and address of the FSA County Office or Service Center of the recording county of the producer.
2	<p>Enter the name and address of the person or legal entity that is requesting benefits under any of the commodity, price support, conservation, or disaster assistance programs.</p> <p>Note: Enter the same name and address as used on filed tax returns if the name and address on record at FSA is different.</p>
3	Enter complete SSN or TIN of the person or legal entity represented in item 2.
4	<p>The year for which program benefits are being requested is 2013 only.</p> <p>Note: The program year determines the 3-year period that will be used for calculating the average AGI for payment eligibility.</p>
5	Select the response that describes the average AGI (all income from both farm and nonfarm sources) for the applicable 3-year period selected in item 4. Select only 1.
6	<p>Select the appropriate response that describes whether or not the average adjusted gross farm income for the applicable 3-year period in item 4 was at least 66.66 percent of the average AGI, both farm and nonfarm income. This AGI is the amount of AGI reported to IRS.</p> <p>If "YES" is selected, and if income includes the sale of farm equipment or production inputs and services to farmers, ranchers, foresters and farming operations, review the definition of farm income on CCC-933, page 2.</p> <p>Example: Jake has requested 2013 DCP benefits. Jake's average AGI was \$900,000. His farm AGI was \$650,000 from the production of crops and livestock.</p> <p>His nonfarm AGI was comprised of \$150,000 from his aerial spraying service and \$100,000 from oil and gas royalties.</p> <p>Over 66.66 percent of Jake's total AGI was from the production of crops (\$650,000 divided by \$900,000 times 100 equals 72.22 percent). Jake also has nonfarm AGI from his aerial spraying; a custom service to farmers and ranchers, that now must be considered farm AGI for payment eligibility purposes.</p> <p>Jake's farm AGI is now \$800,000 (the total of \$650,000 and \$150,000); nonfarm AGI is \$100,000. Jake's farm AGI exceeds \$750,000. Jake is eligible for 2013 DCP benefits, except for direct payments.</p>

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*--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

K Completing CCC-933's (Continued)

Item	Instruction
7	<p>Select the response that describes the average adjusted gross farm income for the applicable 3-year period for the program year selected in item 4. Adjusted gross farm income is determined separately for each of the 3 years and then averaged to determine the average adjusted gross farm income used on CCC-933.</p> <p>Note: Adjusted gross farm income is not the same as the gross farm income reported to IRS. Adjusted gross farm income for FSA purposes is comparable to the net income from farming and related operations. In many cases, this may be the same as the “Net Farm Profit” or “Loss” determined on Schedule F of IRS-1040. However, FSA’s definition of adjusted gross farm income also includes income from the sale of items such as agricultural related land, breeding livestock, and agricultural/conservation easements. Additionally, it is important to consider if income was received from the sale of farm related equipment and/or if income was received from the sale of production inputs and services before answering this question. Usually, income from these items is not considered farm income. However, if the income from farming is at least 66.66 percent of the total AGI from all sources, both farm income and nonfarm income, a special rule applies and income from these items must be included in the adjusted gross farm income. See the definition of farm income on CCC-933, page 2 for full details of what to include in adjusted gross farm income.</p>
8	<p>Select the response that describes the average adjusted gross nonfarm income for the applicable 3-year period for the program year in item 4. Adjusted gross nonfarm income is determined separately for each of the 3 years and then averaged to determine the average adjusted gross nonfarm income used on CCC-933.</p> <p>Adjusted gross nonfarm income is determined by subtracting the adjusted gross farm income for a tax year from the AGI as reported to IRS for the tax year.</p>
9	<p>Read the acknowledgments, responsibilities and authorizations, before affixing signature.</p> <p>For all types of entities, CCC-933 must be signed by a duly authorized representative.</p>
10	<p>Enter title or relationship if signing in a representative capacity.</p>
11	<p>Enter signature date in month, day, and year format.</p>

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*--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

L Example of CCC-933

The following is an example of a completed CCC-933.

<p>This form is available electronically.</p> <p>CCC-933 U.S. DEPARTMENT OF AGRICULTURE (01-17-13) Commodity Credit Corporation</p> <p>AVERAGE ADJUSTED GROSS INCOME (AGI) CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION</p> <p><i>For the 2013 crop, program, and fiscal years only</i></p>		<p>1. Return completed form to:</p> <p>Front County FSA Office 1234 Dodge Rd. Somewhere, OK XXXXX-XXXX</p> <p><i>(Name and address of FSA county office or USDA Service Center)</i></p>
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et. seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration) as amended by the American Taxpayer Relief Act of 2012 (see Pub. L. 112-240, Title VII, Extension of Agricultural Programs.) The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. PLEASE RETURN COMPLETED FORM TO FSA AT THE ABOVE ADDRESS.</p>		
<p>2. Name and Address of Individual or Legal Entity (Including Zip Code)</p> <p>Wildcat Land and Livestock LLC 9560 Circle Rd. Some Town, OK XXXXX-XXXX</p> <p><i>(Use the same name and address as used for the tax return specified in Part B.)</i></p>	<p>3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)</p> <p>XX-XXXXXXX</p>	
<p>PART A - CERTIFICATION OF AVERAGE ADJUSTED GROSS INCOME</p>		
<p>4. The program year for payment eligibility</p> <p>A. 2013 The period for calculation of the average AGI will be of the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For 2013, the 3-year period for the calculation of the average AGI will be the taxable years of 2011, 2010 and 2009.</p>		
<p>5. I certify that the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$1,000,000</p> <p>B. <input type="checkbox"/> More than \$1,000,000</p>	<p>6. Of the average adjusted gross income (both farm and nonfarm income) of the individual or legal entity in Item 2 (for the year selected in Item 4), was at least 66.66 percent from farming, ranching or forestry operations?</p> <p>A. <input checked="" type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	<p>NOTE: If at least 66.66 percent of the average adjusted gross income of the individual or legal entity is derived from farming, ranching or forestry operation, then income from the sale of farm equipment or production inputs and services to farmers, ranchers and foresters must be included as farm income.</p>
<p>7. I certify that the average adjusted gross farm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$750,000 B. <input type="checkbox"/> More than \$750,000</p>		
<p>8. I certify that the average adjusted gross nonfarm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was:</p> <p>A. <input checked="" type="checkbox"/> Less than (or equal to) \$500,000 B. <input type="checkbox"/> More than \$500,000 but less than (or equal to) \$1,000,000 C. <input type="checkbox"/> More than \$1,000,000</p>		
<p>PART B - CONSENT TO DISCLOSURE OF TAX INFORMATION</p> <p>Pursuant to 26 U.S.C. §6103, I hereby authorize the Internal Revenue Service (IRS) to review the following items of "return information" (as defined in 26 U.S.C. §6103(b)(2)) from the returns (as specified below) of the individual or legal entity identified in Item 2 for the taxable years indicated in Item 4:</p> <p>Form 1040 and 1040NR filers: farm income or loss; adjusted gross income Form 1120, 1120A, 1120C filers: charitable contributions, taxable income Form 1041 filers: farm income or loss, charitable contributions, income distribution deductions, exemptions, adjusted total income; total income Form 1120S filers: ordinary business income Form 1065 filers: guaranteed payments to partners, ordinary business income Form 990T: unrelated business taxable income</p> <p>I understand the IRS will review these items of return information in order to perform calculations, the results of which I authorize to be disclosed to officers and employees of the United States Department of Agriculture (USDA) for use in determining the individual's or legal entity's eligibility for specified payments for various commodity and conservation programs. The calculations performed by the IRS use a methodology prescribed by the USDA. In addition, I am aware that the USDA may use the information received for compliance purposes related to this eligibility determination, including referrals to the Department of Justice.</p> <p>Specially, the IRS will disclose to the USDA the individual's or legal entity's name and TIN, and inform the USDA if, pursuant to its calculations, the average Adjusted Gross Income (AGI) is above or below eligibility requirements as prescribed by the Food, Conservation and Energy Act of 2008. The IRS will also disclose to the USDA the type of return from which the information used for the calculations was obtained.</p> <p>If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the specified return has not been filed, for any of the taxable years indicated, the IRS may disclose that it was unable to locate a return, or that a return was not filed, for those years, whichever is applicable.</p> <p>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</p> <p>By signing this form:</p> <ul style="list-style-type: none"> - I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form; - I certify that all information contained within this certification is true and correct; and is consistent with the tax returns filed with the IRS; - I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes by filing this form; - I am aware that without this consent to disclosure, the returns and return information of the individual or legal entity identified in Item 2 are confidential and are protected by law under the Internal Revenue Code; - I certify that I am authorized under applicable state law to execute this consent on behalf of the legal entity identified in Item 2 (for legal entity only). 		
<p>9. Signature (By)</p> <p>/s/ William A. Farmer</p>	<p>10. Title/Relationship of the Individual if Signing in a Representative Capacity for a legal entity</p> <p>President, Wildcat Land and Livestock LLC</p>	<p>11. Date (MM-DD-YYYY)</p> <p>03-15-2013</p>
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small></p>		

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*--200.5 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

F Example of CCC-933 (Continued)

CCC-933 (01-17-13)	Page 2 of 2
GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME – PART A	
<p>Individuals or legal entities that receive benefits under most commodity and conservation programs administered by CCC cannot have incomes that exceed certain limits set by law. For entities, both the entity itself, and its members cannot exceed the income limitations. If a member, whether an individual or an entity, of an entity exceeds the limitations, payments to that entity will be commensurately reduced according to that member's direct or indirect ownership share in the entity. (All members of the entity must also submit this form to verify income limitations are met.)</p> <p>Adjusted Gross Income is the individual's or legal entity's IRS-reported adjusted gross income consisting of both farm and nonfarm income. A three year average of that income will be computed for the three years of the relevant base period identified on the first page of this form to determine eligibility for the applicable program year. Individuals or legal entities with average adjusted gross income greater than \$1 million shall be ineligible for direct payments under the Direct and Counter-cyclical Program</p> <p>Adjusted Gross Farm Income is the part of the yearly adjusted gross income that is farm income. The amount is computed separately for each year and then averaged. Farm income means income related to the following: production of crops, livestock, fish and aquaculture for food; the feeding and rearing of livestock; products produced or derived from livestock; production of specialty crops and unfinished raw forestry products; processing packing, storing and transporting farm, ranch and forestry commodities including renewable energy; production of farm-based renewable energy; the sale of land used for agriculture; sale of land or sale of easements and development rights to agricultural land, water and hunting rights, and environmental benefits; rental or lease of land or equipment used in farming, ranching, forestry operation; payments and benefits from risk management practices, crop insurance indemnities, catastrophic risk protection plans, conservation program and government farm program payments. Individuals or legal entities with average adjusted gross farm income greater than \$750,000 shall be ineligible for direct payments under the Direct and Counter-cyclical Program</p> <p>Adjusted Gross Nonfarm Income is the difference for the year between the filer's <i>adjusted gross income</i> and the filer's <i>adjusted gross farm income</i>. The difference is computed separately for each year and then averaged. Individuals or legal entities with average adjusted gross nonfarm income that exceeds \$500,000 shall be ineligible for commodity program payments, price support benefits, disaster assistance programs, and for the Milk Income Loss Compensation Program. Additionally, individuals or legal entities with average adjusted gross nonfarm income exceeding \$1 million will be ineligible for new contracts or participation in conservation programs after October 1, 2008, unless at least 66.66% of their total average adjusted gross income (sum of farm and nonfarm income) is generated from activities related to farming.</p>	
HOW TO DETERMINE ADJUSTED GROSS INCOME	
<p>Individual – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income and the income from farming, ranching, or forestry operations.</p> <p>Trust or Estate – the adjusted gross income is the total income and charitable contributions reported to IRS.</p> <p>Corporation – the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.</p> <p>Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.</p> <p>Tax-exempt Organization – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.</p>	
GENERAL INFORMATION ON CONSENT TO DISCLOSURE OF TAX INFORMATION – PART B	
<p>This consent allows IRS's access to, and use of, certain items of return information to perform calculations, using a methodology prescribed by the USDA, that will assist USDA in its verification of a program participant's compliance with the adjusted gross income (AGI) limitations necessary for participation in, and receipt of, commodity, conservation, price support or disaster program benefits. This consent also permits the USDA to receive certain items of return information for its eligibility determination.</p> <p>This consent authorizes the disclosure of these items of return information for only the time period specified. Each item of information requested on this form is needed for the IRS to (1) locate, and verify, your tax information; (2) perform the requisite Average AGI calculations; and (3) provide the USDA with the legal entity's name and Taxpayer Identification Number (TIN), the type of return from which the specified items were located for use in the calculation, and whether or not the average AGI is above or below eligibility requirements. The IRS will not provide the USDA with any of the items specified on this consent form that it uses to perform the calculations or the average AGI figure.</p> <p>This form can only be signed by the person authorized under state law to sign this consent for the legal entity identified in Item 2. <u><i>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</i></u></p>	
INSTRUCTIONS FOR COMPLETION OF CCC-933	
Item No./Field name	Instruction
1. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed CCC-933 will be submitted.
2. Person or Legal Entity's Name and Address	Enter the person's or legal entity's name and address for commodity, conservation, price support, or disaster program benefits. <i>Enter the name and address as it appeared on the IRS tax returns filed for the taxable years specified in Item 4.</i>
3. Taxpayer Identification Number	In the format provided, enter the <u>complete</u> taxpayer identification number of the person or legal entity identified in Item 2. <i>This will be either a Social Security Number or Taxpayer Identification Number.</i>
4. Program Year (2013)	The year for which program benefits are being requested is 2013 only. The program year determines the 3-year period used for the calculation of the average adjusted gross income (AGI) for payment eligibility and the years for which this consent allows access to tax information.
5. Average Adjusted Gross Income	Select the box next to the response that describes the average adjusted gross income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
6. Average Adjusted Gross Income from Farming, Ranching or Forestry	Select the appropriate response to indicate whether or not at least 66.66 percent of the average adjusted gross income was derived from farming, ranching, or forestry operations during the applicable 3-year period entered in Item 4. Select "YES" or "NO" as applicable.
7. Average Adjusted Gross Farm Income	Select the box next to the response that describes the average adjusted gross farm income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
8. Average Adjusted Gross Nonfarm Income	Select the box next to the response that describes the average adjusted gross nonfarm income for the applicable 3-year period for the program year entered in Item 4. Select only one response.
9. Signature	Read the acknowledgments, responsibilities and authorizations, <i>before</i> affixing your signature.
10. Title/Relationship	Enter title or relationship to the legal entity identified in Item 2.
11. Date	Enter the signature date in month, day and year. <i>This form must be returned to FSA within 90 days of the signature date for the consent to be valid.</i>

--*

201 CCC-929, Average Adjusted Gross Income (AGI) Supplemental

A Explanation of Average AGI Verification Process

CCC-929:

- must be provided with CCC-931's and CCC-933's
- serves to inform all program participants about the average AGI certification and verification process.

B Example of CCC-929

The following is an example of CCC-929.

*--

This form is available electronically.

CCC-929
(01-23-13)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AVERAGE ADJUSTED GROSS INCOME (AGI) SUPPLEMENTAL

- Why is it necessary to certify and verify compliance with the average AGI limitations?

The Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), as amended by the American Taxpayer Relief Act of 2012 (Pub L. 112-240), provides that individuals and legal entities with average AGI in excess of a specified average AGI limitation are ineligible for payments subject to that limitation. The limitations are: \$500,000 average nonfarm AGI for commodity programs; \$750,000 average farm AGI for direct payments under the Direct and Counter-cyclical Program or ACRE program; \$1 million average AGI for direct payments under the 2012 and 2013 Direct and Counter-cyclical Program or ACRE program; and \$1 million average nonfarm AGI for conservation programs.

All direct and indirect recipients of commodity or conservation program payments are required to complete the CCC-931 or CCC-933, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information. The U.S. Government Accountability Office (GAO) concluded in a recent report that, without an adequate verification process, USDA could not ensure program payments and benefits were only being made to eligible recipients.

- What process has been developed to verify average AGI?

USDA has worked with the Internal Revenue Service to develop an electronic information exchange process strictly for the purpose of average AGI verification. This process electronically looks at certain line items on tax returns filed for the applicable three-year period, performs a series of calculations to arrive at the average amounts, and then compares these values to the average AGI limitations. USDA receives the results of these comparisons with indicators of whether the participant appears to exceed or not exceed the average AGI limitation amounts. No actual tax data will be included. USDA county office personnel will not view tax return information at any time during this process.

- Will there be an opportunity to provide additional information or possible explanation and appeal if the results show that it appears one or more of the average AGI limitations have been exceeded?

As part of the review and evaluation process, participants will be afforded the opportunity to provide tax returns and other information in explanation of the AGI certification. All written notifications of AGI compliance determinations will include explanations and the appropriate appeal rights. If necessary, the cases that appear to exceed the average AGI limitations will be reviewed and evaluated by FSA State office and/or headquarters personnel. The cases will not be reviewed by personnel from the local FSA office.

- What is required for USDA to verify the average AGI certification?

IRS requires written consent from the individual or legal entity to provide USDA verification of the average AGI for that individual or legal entity. This written consent is provided by using the form CCC-931 or CCC-933, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information. The CCC-931 form allows the selection of 2009, 2010, 2011, or 2012. Selection of "2009" on the form authorizes IRS to perform the average AGI calculations for the 2005, 2006, and 2007 tax years. Selection of "2010" on the form authorizes IRS to perform the average AGI calculations for the 2006, 2007 and 2008 tax years. Selection of "2011" on the form authorizes IRS to perform the average AGI calculations for the 2007, 2008 and 2009 tax years. Selection of "2012" on the form authorizes IRS to perform the average AGI calculations for the 2008, 2009 and 2010 tax years. The CCC-933 is for 2013 only and authorizes the IRS to perform the average AGI calculations for the 2009, 2010 and 2011 tax years. The CCC-931 or the CCC-933 must be completed for the same year an individual or legal entity requested payments or benefits under programs subject to the AGI limitations.

- When must the applicant certification and consent form be completed and where does it go?

Timeliness is essential in order to avoid any delays in the issuance of program payments and the possibility of refunding program payments. It is recommended that the CCC-931 or the CCC-933 be completed at the same time as an application or request for program benefits is submitted. The completed and signed CCC-931 or the CCC-933 should be mailed or returned directly to the local FSA office or USDA Service Center. Authorized FSA personnel will record the average AGI certification and forward the completed CCC-931 and the CCC-933 forms to the IRS for completion of the verification process.

- What if the certification and consent form is not completed and returned to FSA?

Failure to provide the certification and consent form may require refund of applicable payments received from FSA and NRCS.

- Will any other USDA agency other than FSA be provided knowledge of this information returned from the IRS?

NRCS will be the only other USDA agency that will have knowledge of this information since conservation programs administered by NRCS are subject to the \$1 million average nonfarm AGI limitation for conservation programs.

- Will IRS be able to utilize the information for any other purposes and can it be disclosed to any persons or organizations outside of the Government?

IRS will only use this information for this specified purpose. The information utilized for AGI compliance and verification purposes is not subject to disclosure under the Freedom of Information Act (FOIA). Furthermore, IRS and USDA are the only Federal, State, Local government agencies, Tribal agencies, or nongovernmental entities allowed by statute, regulation, or Routine Use to gain any measure of access to the information collected by the CCC-931 and CCC-933. And, IRS and USDA access to the information collection is highly limited, extending only to that access required by the specified purpose.

--*

202 Review and Validation Process

A IRS Calculations and Comparisons

*--For each person or legal entity who submits a completed CCC-931 or CCC-933, IRS will:

- match person's or legal entity's supplied information with IRS tax records and filings
- perform a series of calculations to determine AGI and average AGI amounts for the applicable 3-year periods
- compare calculated amounts to established average AGI limitation amounts
- report the results of the data-matching and calculations to FSA on a regular basis.

B IRS Results Reported to FSA

IRS provides results to FSA indicating the following information:

- whether or not the person or legal entity appears to meet 1 or more of the average AGI limitations
- number of years in the applicable 3-year period that tax data was available for the person or legal entity and used in the calculations
- IRS forms series on file and used in the data comparison for each person or legal entity.

IRS does **not** provide to FSA the following:

- dollar amounts representing the person's or legal entity's farm or nonfarm income
- AGI or average AGI amounts calculated and used in the comparisons
- a determination whether or not the person or legal entity is eligible or ineligible for--* payments under program that are subject to average AGI compliance.

C Receipt and Storage of Data From IRS

The information transferred from IRS to FSA is:

- received and stored in a secure database
- only accessible by authorized personnel
- used only in the AGI verification process
- **not** releasable under FOIA
- **not** available for any other purposes or uses.

202 Review and Validation Process (Continued)**D Using Data Received From IRS**

The data received from IRS will be:

- validated with SCIMS and producer eligibility records
- the foundation of reports to be used for AGI compliance verification purposes.

203 Average AGI Compliance Reports**A Reports**

*--The average AGI compliance reports will identify persons or legal entities with the following:

- no data return from IRS
- average AGI amounts that exceed the threshold levels
- average AGI amounts at or below the threshold levels
- no matching records on file with IRS.

B Responsibility for Reports and Associated Mailings of Notifications

All AGI compliance reports and associated mailings of notifications to affected persons or legal entities will be completed by National and Kansas City Offices.

State Offices and NRCS will be provided a copy of the list of persons or legal entities:

- identified on the applicable report
- sent the appropriate written notification for any required follow-up actions.

203.4 Reconciliation Process of Participants and CCC-931 or CCC-933**A Reconciliation Report**

A report will be completed to identify persons or legal entities who have received 2009, 2010, 2011, 2012, or 2013 program payments, and:--*

- no data has been received from IRS
- no matching records are found on file with IRS.

Note: County Offices and NRCS will be provided access or a copy of this report.

B Participants Identified

The recording County Office will provide written notice to persons and legal entities identified on the report in subparagraph A that contains the following:

- *--the requirement to timely complete and submit the enclosed CCC-931 or CCC-933 to maintain 2009, 2010, 2011, 2012, and/or 2013 payment eligibility--*

--203.4 Reconciliation Process of Participants and CCC-931 or CCC-933 (Continued)*B Participants Identified (Continued)**

- instruction to select either the 2009, 2010, 2011, 2012, or 2013 program year, as appropriate
- that completed CCC-931's and CCC-933's:
 - are to be mailed to the recording County Office at the return address provided on CCC-931 or CCC-933
 - **must** be mailed within 30 calendar days from the date of receipt of the letter
- where and how to obtain additional CCC-931's or CCC-933's, if needed.

Note: For an example letter, see subparagraph 204 B.

C Persons and Legal Entities Identified for 2012 and Subsequent Years

For 2012 and subsequent crop, program, and FY's, County Offices are instructed to:

- coordinate recording the average AGI certification values for 2012 and 2013 in the web-based eligibility files with the mailing of completed CCC-931's and CCC-933's to IRS
- periodically run the County Eligibility Report for AGI according to 3-PL (Rev. 1), subparagraph 306 I
- select field, "**Not Filed**" to generate a list of every individual and legal entity in the web-based eligibility system, "AGI" section that has not filed CCC-931 for 2012, or CCC-933 or 2013, payment eligibility purposes.

For all persons and legal entities identified through the County Eligibility Report for 2012 or 2013, follow instructions in subparagraph B.

D Notification Exceptions

If CCC-931 or CCC-933 was rejected by the IRS for the selected reason of, "No record found on Master file. No return filed for years checked using this TIN/SSN", then:

- do not send a written notification according to subparagraph B
- consider this individual or legal entity as compliant with the average AGI limitations for the current program year
- retain a copy of the IRS rejection letter with the returned CCC-931 or CCC-933 in the individual's or legal entity's eligibility file.--*

203.5 Average AGI Amounts Are Above Threshold Levels

A Average AGI Above Limitations

A report will list participants with indicators that average AGI amounts exceed the limitations for:

- *--commodity (including direct, counter-cyclical, and ACRE payments), price support,--* and disaster assistance programs
- conservations programs.

B Producers Identified

Persons and legal entities identified on this report will be: * * *

- notified in writing by the reviewing authority of the results of the IRS data analysis
- required to provide within 30 calendar days of notification to the reviewing authority:
 - a third party verification from a certified public accountant or an attorney that demonstrates that average AGI does **not** exceed established limits
 - actual tax records for the years in question to demonstrate that average AGI does **not** exceed the established limits.

--See paragraphs 203.9 and 204 for procedure and examples of nonresponsible participants.--

203.6 Average AGI Amounts at or Below Threshold Levels

A Average AGI Within Limitations

A report will list participants with indicators that average AGI amounts are within the limitations for all programs.

No further actions will be required of:

- participants identified for the applicable crop, program, and FY
- County Offices in regard to eligibility files of identified participants for the applicable crop, program, and FY.

203.7 FSA Review and Compliance Determinations**A Review of Questionable Average AGI Certifications Identified Through Using IRS Data**

The reviewing authority will:

- **not** be the local FSA office staff or COC
- **be** SED
- *--review tax data or other information supplied by the person or legal entity
- if necessary, calculate the average AGI values based on supplied information
- confer with the person or legal entity if questions arise in this process
- determine AGI compliance for the person or legal entity
- provide results and conclusions of the review.

Note: SED's are delegated authority to act on initial AGI review determinations referenced in subparagraph B, after performing the review actions specified in this subparagraph.

B Determination of Person's or Legal Entity's Compliance With Average AGI

SED's will:

- issue written notice of determination, adverse or otherwise, to the person or legal entity--*
- include right to SED reconsideration, mediation, and appeal right to NAD according to 1-APP
- send a copy of determinations involving NRCS participants to the State Conservationist
- follow subparagraph 204 D for an example notification letter for AGI compliance.

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 (subparagraph 203.8 C), if necessary to determine compliance
- 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 optional AGI Compliance Review Checklists.

203.8 Average AGI Compliance Review Process

A Information Collection and Comparison

A review of average AGI compliance requires the following actions:

- *--collecting the copy of average AGI certification (CCC-926, CCC-931, CCC-933, or acceptable statement from CPA or attorney) submitted by the person or legal entity for the applicable year
- collecting complete tax returns for each of the 3-years qualification period; or acceptable financial documents if filing tax returns is not required; or an acceptable statement from CPA or attorney with all required items that illustrate and document income levels and average AGI compliance for the person or legal entity for the applicable year
- comparing both sets of information to the rules and regulations governing average AGI for payment eligibility for the applicable year subject to review
- verify the following, as applicable:
 - subsidiary flags are accurately set to reflect the certification of record
 - there is a valid CCC-926/CCC-931/CCC-933 on file supporting record certification
 - the person or legal entity received program payments or benefits either directly or indirectly.

B Results and Findings

The results and findings of the review and evaluation are the basis to determine if person or legal entity meets or exceeds 1 or more of the average AGI limitations.--*

C Worksheet for Calculating Average AGI for 2009 and Subsequent Years Based on the Submission of Tax Returns

Use the following worksheet to calculate the average AGI for a person or legal entity based on the submission of tax returns.

Step	Action	Result												
1	Enter the total AGI (both nonfarm and farm) for the 3 complete taxable years preceding the most immediately preceding complete taxable year of the year for which program benefits are requested. <div style="text-align: right; margin-right: 100px;">Specify From Where Information Was Obtained (for example, IRS Form 1040, Line 37)</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">Year</td> <td style="width: 30%; text-align: center;">Amount</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table> <p>Note: See paragraph 191 for guidance.</p>	Year	Amount		_____	\$ _____	_____	_____	_____	_____	_____	_____	_____	
Year	Amount													
_____	\$ _____	_____												
_____	_____	_____												
_____	_____	_____												
2	Total the dollar amounts in step 1.	\$												
3	Calculate the average AGI by dividing the result of step 2 by the number of years in step 1.	\$												

203.8 Average AGI Compliance Review Process (Continued)

C Worksheet for Calculating Average AGI for 2009 and Subsequent Years Based on the Submission of Tax Returns (Continued)

Step	Action	Result												
4	Enter AGI for the same 3 years in step 1 that was derived from all activities related to farming, ranching, and forestry operations. <div style="text-align: right; margin-right: 100px;">Specify From Where Information Was Obtained (for example, IRS Form 1040, Line 37)</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: center;">Year</td> <td style="width: 30%; text-align: center;">Amount</td> <td style="width: 40%;"></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table> <p>Note: See paragraph 191 for guidance.</p>	Year	Amount		_____	\$ _____	_____	_____	_____	_____	_____	_____	_____	
Year	Amount													
_____	\$ _____	_____												
_____	_____	_____												
_____	_____	_____												
5	Total the dollar amounts in step 4.	\$ _____												
6	*--Calculate the average adjusted gross farm income by dividing the result of step 5 by the number of years in step 4.	\$ _____												
7	Calculate the average adjusted gross nonfarm income by subtracting the result of step 6 from the result of step 1.	\$ _____												
8	If the result of step 3 and step 6 is greater than zero and not a negative number, calculate the percentage of the average adjusted gross farm income from the average AGI by dividing the result of step 6 by the result of step 3, and multiply by 100. If the result of either step 3 or step 6 is zero or a negative number enter zero in step 8.--*	%												
	If step 8 is 66.66% or greater , and the person or legal entity has income for equipment sales or input services, go to step 14; otherwise, go to step 9.													
	Determination	Eligible Based on Determination in This Step Only												
9	If the result of step 7 is \$500,000 or less, the person or legal entity is eligible for all commodity (including direct, counter-cyclical, and ACRE payments under DCP and ACRE), MILC, marketing loan gains, LDP payments, disaster assistance, and conservation program benefits.	<input type="checkbox"/> Yes <input type="checkbox"/> No												
10	If the result of step 6 is \$750,000 or less and step 9 is yes, the person or legal entity is eligible for direct payments under DCP and ACRE.	<input type="checkbox"/> Yes <input type="checkbox"/> No												
11	*-- For 2012 and 2013 only , if the results of step 3 is \$1 million or less, step 6 is \$750,000 or less, and step 7 is \$500,000 or less, then the person or legal entity is eligible for 2012 or 2013 direct payments under 2012 or 2013 DCP and ACRE.--*	<input type="checkbox"/> Yes <input type="checkbox"/> No												
12	If the result of step 7 is \$1 million or less, the person or legal entity is eligible for all conservation program payments .	<input type="checkbox"/> Yes <input type="checkbox"/> No												
13	If the result of step 7 exceeds \$1 million, but the result of step 8 is at least 66.66%, the person or legal entity is eligible for all conservation program payments .	<input type="checkbox"/> Yes <input type="checkbox"/> No												

203.8 Average AGI Compliance Review Process (Continued)

* * *

D Admissions

*--If a person or legal entity submits a revised CCC-931 or CCC-933, or certification is received that the person or legal entity exceeds any of the average AGI limitations for any program, do the following:

- accept the written material and keep with the file
- consider the AGI compliance review complete
- reset the applicable coverage AGI values to “producer not met” in the web-based eligibility files. See 3-PL (Rev. 1), paragraph 31.

If a person or legal entity affirms that 1 or more of the average AGI limitations are--* exceeded, FSA is:

- **not** required to issue a decision on ineligibility
- **not** required to issue an adverse decision on average AGI noncompliance
- required to issue adverse overpayment notifications for all programs that FSA administers.

203.9 Payment Refunds and Collections**A Participant Fails to Timely Act or Is Determined AGI Noncompliant**

If a person or legal entity fails to timely respond to written notices on AGI compliance requirements, or has been determined noncompliant with the applicable AGI limitations, all payment refund determinations and collection efforts will be initiated by:

- NRCS for all payments under programs it administers subject to this AGI compliance determination
- FSA for all payments under programs it administers subject to this AGI compliance determination.

See paragraph 204 for example letters for AGI compliance.

203.9 Payment Refunds and Collections (Continued)

B Errors in Recording Either Determinations or Admissions

When errors are discovered in either determinations or in the recording of determinations, take applicable corrective actions that include, but are not limited to the following:

- reset the eligibility AGI values according to 3-PL
- document on the report that AGI values were reset according to this subparagraph.

Example 1: Participant A certifies compliance with the \$500,000 nonfarm AGI and the \$1 million nonfarm AGI conservation limitations but indicates the farm AGI exceeds \$750,000. When recording those values in web-based eligibility, FSA incorrectly entered all 3 values as “Compliant” resulting in DCP direct payments being inadvertently issued to Participant A.

Result 1: Set correct values and notify the participant of the amount of any overpayment issued. The notification of overpayment (receivable) must later have additional explanation entered into the record of this debt explaining that despite the participant’s certification that the participant was not eligible. FSA inadvertently paid the participant and the erroneous payment must be refunded.

Example 2: Participant B completed CCC-926 for program year 2011 as part of an EQIP application. Funds were not approved to fund the application. A review of Participant B’s records for 2011 finds that Participant B did not receive any other program payments or benefits either directly or indirectly.

Result 2: Even though Participant B should not become a recipient of an overpayment (receivable) letter because funds were not approved, Participant B could, if Participant B wants to, with CCC-926 and, subsequently, flags could be reset accordingly to avoid having additional AGI compliance communications or notifications sent to Participant B.

C FSA and NRCS Responsibilities

Each Agency will be responsible for all follow-up actions as required under the following:

- respective program procedures for payment refunds
- DCIA.

***--204 Example Letters for AGI Compliance**

A Example Letters

Use the example letters in subparagraphs B through G as guides when notifying individuals and legal entities of average AGI limitation requirements or determinations.

B Example of Letter When CCC-931 or CCC-933 is Needed

The following is an example of a notification letter for a person or legal entity when CCC-931 or CCC-933 is needed.

(Date)

Person or legal entity
(c/o)
 Address 1
 Address 2

Dear Person or Legal entity:

As of the date of this letter, you have not submitted the **required** form CCC-931 or CCC-933, "Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information". Accordingly, you are ineligible for *[insert 2009, 2010, 2011, 2012, and/or 2013, as appropriate]* program benefits. A refund is required of *[insert 2009, 2010, 2011, 2012, and/or 2013, as appropriate]* program payment benefits received. You and/or any legal entity you may have indirect payment interest in will be notified by separate letter of refund amounts required.

The Food, Conservation, and Energy Act of 2008, commonly referred to as the 2008 Farm Bill, provides average adjusted gross income (AGI) limitations for participants who enroll in certain farm programs. The average AGI limitations are:

- \$500,000 nonfarm average AGI in order to receive commodity, price support or disaster program benefits;
- \$750,000 farm average AGI in order to receive direct payments under the Direct and Counter-Cyclical Program (DCP), or Average Crop Revenue Election Program (ACRE); and
- \$1 million nonfarm average AGI to receive conservation program benefits.
- \$1 million AGI limitation for 2012 and 2013 direct payments.

Completing form CCC-931 or CCC-933 allows the IRS to average your AGI for the three applicable tax years to provide FSA information on whether your average appears to exceed one or more of the applicable limitation amounts. Individuals, legal entities, and all members of legal entities must complete form CCC-931 or CCC-933.

If you believe that FSA has not properly determined the facts of this case regarding your AGI ineligibility, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you choose, your appeal can include submission of a completed CCC-931 or CCC-933. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or the National Appeals Division. To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous.

(Insert COC address.)

If you do not timely file an appeal of this determination, this shall be the final administrative determination with respect to this matter in accordance with regulations at 7 CFR Part 780.

Sincerely,

County Executive Director

--*

204 Example Letters for AGI Compliance (Continued)

C Example With an Attachment Letter for Requesting Additional Information

The following is an example notification letter where indications are average AGI limitations exceeded and additional information is requested for FSA review. This example letter is followed by an attachment.

*--

<p>[Date]</p> <p>[Address Block]</p> <p>Dear [Name]:</p> <p>The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) provides average adjusted gross income (AGI) limitations for participants who enroll in certain farm programs. These limitations apply to individuals and legal entities who receive payments, as well as to members of legal entities that receive payments.</p> <p>The Farm Service Agency (FSA) and Internal Revenue Service (IRS) formed a partnership to ensure that only those participants who comply with AGI requirements receive farm program benefits. This data-sharing process maintains the confidentiality and privacy of tax return information while providing FSA information necessary to verify your average AGI certification.</p> <p>You provided written consent allowing the IRS to average your AGI for the applicable tax years and to provide FSA information about whether or not your AGI exceeds limitation amounts.</p> <p>The information received from the IRS indicates that for [<i>insert applicable program year 2009 through 2012</i>] program payment eligibility purposes, your average AGI may exceed the:</p> <p>_____ \$500,000 nonfarm AGI limitation for commodity program benefits (including direct payments under the Direct and Counter-Cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program), price support or disaster program benefits</p> <p>_____ \$750,000 farm AGI limitation for direct payments under the DCP or ACRE program</p> <p>_____ \$1 million nonfarm AGI limitation for conservation benefits.</p> <p>_____ \$1 million AGI limitation for 2012 direct payments.</p> <p>Additional information is needed to assist FSA's review. Please provide one of the following:</p> <ul style="list-style-type: none"> • a signed statement from a CPA or an attorney that verifies your average AGI did not exceed the applicable AGI limitations; • copies of the complete Federal tax returns that were filed with the IRS for the years [<i>insert applicable tax years</i>]; or • a signed acknowledgement that your income exceeded the limitations, if your [<i>insert applicable program year 2009 through 2012</i>] certification was in error.
--

--*

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 FSA program purposes.

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

--*

204 Example Letters for AGI Compliance (Continued)

D Example of Initial Letter Notifying Participant of Ineligibility

The following is an example initial decision letter advising of ineligibility because of average AGI limitations.

[Date]

[Address Block]

Dear [Name of Participant]:

The Farm Service Agency (FSA) recently wrote you requesting additional information so that FSA could complete its review of your payment eligibility under the average adjusted gross income (AGI) provisions. We have not received a response from you regarding our previous inquiries; therefore, FSA has determined that you exceed the AGI limitation for [enter specific AGI limitation exceeded and year].

As a result of this determination, you are ineligible for program payments subject to that limitation. A refund of program payments is, therefore, required. A separate letter will be sent with the required refund amount and instructions for submitting the refund.

If you believe that FSA has not properly considered the facts related to the determination of your eligibility under the AGI provisions, you have the following options:

Reconsideration of the State Executive Director

You may request that I reconsider this determination by filing a written request no later than 30 calendar days after you receive this notice according to FSA's appeal procedures found at 7 CFR Part 780. If you request reconsideration, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you choose to seek reconsideration, you may later appeal the determination to the National Appeals Division. To request reconsideration, write to FSA at the following address and explain why you believe this determination is erroneous. The address is:

USDA – Farm Service Agency

Attention: AGI Limitation Review

[Enter address of the State Office for SED reconsideration.]

*--204 Example Letters for AGI Compliance (Continued)

D Example of Initial Letter Notifying Participant of Ineligibility (Continued)

[Name]

Page 2

Mediation

Mediation is available as part of FSA’s informal appeal process. Mediation may enable us to narrow the issues and resolve the matter by mutual agreement. You may have to pay all or part of the cost of mediation. If you request mediation, the running of the time frame in which you may file an appeal stops. When mediation closes, the clock restarts and you will have the balance of the days remaining in that period to file an appeal. To request mediation, you must submit your written request no later than 30 calendar days after you receive this notice. To request mediation, write to the FSA State Executive Director at the following address: *[Insert SED address or Mediation Program address, as applicable.]*

Appeal to the Department of Agriculture National Appeal Division (NAD)

You may appeal this determination to NAD by filing a written request no later than 30 calendar days after you receive this notice in accordance with the NAD Appeal procedures found at 7 CFR Part 11. If you appeal to NAD, you have the right to a hearing which you or your representative may attend. Once a hearing with NAD begins, you waive any rights you might have to reconsideration, appeal to FSA, and mediation. To appeal, you must write to NAD at the following address, explain why you believe this determination is erroneous, and provide a copy to FSA. You must personally sign your written appeal to NAD and include a copy of this letter. *[Insert applicable NAD address.]*

If you do not timely exercise one of the preceding options, this shall be the final administrative determination with respect to this matter in accordance with the regulations at 7 CFR Part 780 and 7 CFR Part 11.

Sincerely,

[Enter Name]

State Executive Director

--*

204 Example Letters for AGI Compliance (Continued)

E Example of Letter Acknowledging Request for Reconsideration Review

The following is an example letter acknowledging request for reconsideration.

*--

<p>[Date]</p> <p>[Address Block]</p> <p>Dear [Name of Participant]:</p> <p>This letter acknowledges your request for reconsideration of the Farm Service Agency's (FSA's) decision concerning your eligibility under the average adjusted gross income provisions for the [insert the 2009 through 2012 program year(s), as applicable].</p> <p>A representative of the [enter name] State FSA Office will review your request on [enter date which should be no earlier than 17 days from date of mailing], at [enter time]. The hearing will be in a room to be designated for the purpose of conducting a hearing. You, your authorized representative, or both, are invited to attend the hearing and submit any additional information in support of your request for reconsideration. If you choose to personally appear, please come to:</p> <p style="padding-left: 40px;">[Enter State Office address and contact phone number.]</p> <p>The hearings are informal and verbatim transcripts are not ordinarily made. However, if you want a transcript to be made at your expense, please let us know at least 7 calendar days before the hearing, and we will make the arrangements. Neither FSA nor the Department will reimburse you for any costs you may incur in connection with your request for reconsideration. Please note that a verbatim transcript will only be permitted if you choose to attend the scheduled hearing either in person or via telephone.</p> <p>Should you prefer to attend the scheduled hearing by telephone, in advance of the hearing date please provide us with a telephone number of where you and your authorized representative can be contacted on the day and time of the scheduled hearing. If you choose not to attend the hearing at all (either in person or via telephone) please let us know. However, whether you choose to attend the hearing or not, you may submit before the date of the scheduled review, any further facts or evidence you wish to have considered. The Deputy Administrator will consider your request and arrive at a decision based on the record and other available information. The review will include all of the information submitted by you, in addition to the complete file pertaining to your case. FSA's review determination will be in writing and sent to you and your representative as soon as possible after conclusion of the scheduled meeting or hearing.</p> <p>If you have any questions about this matter, you may contact the State FSA Office at [enter complete area code and phone number]. If you telephone us and receive a voice mail recording, please leave your contact information and we will return your call.</p> <p>Sincerely,</p> <p>[Name] State Executive Director</p>

--*

204 Example Letters for AGI Compliance (Continued)

G Example Letter for Disapproving Reconsideration (Continued)

[Name]

Page 3

If you believe that this decision is erroneous, you have the following options:

Mediation

Mediation is available as part of FSA's informal appeal process. Mediation may enable us to narrow the issues and resolve the matter by mutual agreement. You may have to pay all or part of the cost of mediation. If you request mediation, the running of the time frame in which you may file an appeal stops. When mediation closes, the clock restarts and you will have the balance of the days remaining in that period to file an appeal. To request mediation, you must submit your written request no later than 30 calendar days after you receive this notice. To request mediation, write to the FSA State Executive Director at the following address: *[Insert SED address or Mediation Program address, as applicable.]*

Appeal to the Department of Agriculture National Appeal Division (NAD)

You may appeal this determination to NAD by filing a written request no later than 30 calendar days after you receive this notice in accordance with the NAD Appeal procedures found at 7 CFR Part 11. If you appeal to NAD, you have the right to a hearing which you or your representative may attend. Once a hearing with NAD begins, you waive any rights you might have to reconsideration, appeal to FSA, and mediation. To appeal, you must write to NAD at the following address, explain why you believe this determination is erroneous, and provide a copy to FSA. You must personally sign your written appeal to NAD and include a copy of this letter. *[Insert applicable NAD address.]*

If you do not timely exercise one of the preceding options, this shall be the final administrative determination with respect to this matter in accordance with the regulations at 7 CFR Part 780 and 7 CFR Part 11.

Sincerely,

[Name]

State Executive Director

204 Example Letters for AGI Compliance (Continued)

H Example for the Requesting Information

The following is an example for the request of a response for additional information from the participant previously notified of the AGI compliance review.

*--

[Date]

[Address Block]

Dear [Name]:

The Farm Service Agency (FSA) recently sent you a letter dated [insert date] requesting information so that FSA can complete its review of your average Adjusted Gross Income (AGI) compliance and subsequent eligibility for [insert the appropriate program year 2009 through 2012] program payments and benefits. As of the date of this letter, [insert 1 of the following phrases and modify it to fit the specific instance or situation (these examples are not inclusive and only describe some situations)] [we have not received a response from you regarding this matter] **OR** [we received incomplete sets of tax returns] **OR** [the statement prepared by John Doe, CPA, fails to provide the required information as specified in the attached example of a CPA statement] **OR** [the information submitted showing how income would have been reported by spouses had separate returns been filed must be accompanied by a certification of a CPA or attorney] **OR** [the information submitted appears to be for a person or legal entity that is not the subject of our review], please submit the information for you as the person or legal entity that is subject to these AGI compliance provisions. **OR**

Therefore, we request that you respond to this second request for additional information within 14 days of the date of this letter in order to to avoid a determination of ineligibility for [insert appropriate program year 2009 through 2012] program benefits. A determination of ineligibility would result in you or any legal entity in which you have an interest being required to refund all [insert appropriate program year 2009 through 2012] program payments and benefits plus interest that you have directly or indirectly received. Please mail your response to:

[State] Farm Service Agency
 Attn: AGI Compliance Review
 [mailing address]
 [city, State ZIP Code]

All information provided in response to this inquiry will be maintained in a system of records and treated by FSA as confidential. If you have questions or concerns, please contact [insert name], Program Specialist, at [insert phone number].

Thank you for your cooperation.

Sincerely,

[Name]
 State Executive Director
 Your State FSA Office

--*

204 Example Letters for AGI Compliance (Continued)

I Example Notification for AGI Compliance Review Completion

The following is an example for the notification of a participant following the completion of the AGI compliance review.

*--

[Date]
[Address Block]
Dear [Name]:
The Farm Service Agency (FSA) has completed an examination of your [insert the appropriate program year 2009 through 2012] average Adjusted Gross Income (AGI) certification and the additional information submitted.
Based on the data available to FSA and the supplemental documents you provided, FSA has determined that you comply with the [insert the following, as applicable: \$500,000 nonfarm AGI limitation for commodity program benefits/\$750,000 farm AGI limitation for direct payments under the DCP or ACRE program/\$1 million nonfarm AGI limitation for conservation benefits; \$1 million AGI limitation for 2012 direct payments].
Consequently, with the regard to the provisions of average AGI compliance, you are eligible for [insert the appropriate program year 2009 through 2012] program payments affected.
The review for [insert the appropriate program year 2009 through 2012] average AGI compliance is now considered complete. We appreciate your cooperation.
Sincerely,
[name]
SED
[State] FSA State Office
cc: County Office

--*

205 (Reserved)

207 Completing CCC-903's (Continued)

--C Example CCC-903 for 2009 Program Year (Continued)--

CCC-903 (04-07-09)		Page 2 of 2
Participant's Name: <u>Beringer Partners</u>		Crop Year: <u>2009</u>
PART C – DETERMINATIONS OF THE REVIEWING AUTHORITY		
Based on the information provided, COC determined the following: (Or, for joint operations with 6 or more members, the State Office determined):		YES NO
1	LANDOWNER PROVISIONS apply to this participant.	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
2A	The person's or entity's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> the person or entity is ACTIVELY ENGAGED IN FARMING. (If "NO", explanation is in REMARKS)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
2B	For JOINT OPERATIONS ONLY, each member's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> EACH MEMBER is ACTIVELY ENGAGED IN FARMING. (If "NO", explanation is in REMARKS)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
3	COMMON ATTRIBUTION rules apply (<i>Persons and Entities with common attribution are listed in Remarks</i>)	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
4	A CROPLAND FACTOR applies because CASH RENT TENANT rules are not met by the person, the entity, or by one or more members of the joint operation (If "YES", explanation is in Remarks)	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONTRIBUTIONS were determined as follows: Complete Item 5A if the participant is a PERSON or ENTITY. Complete Item 5B if the participant is a JOINT OPERATION. Complete Item 5C if the participant is either an ENTITY or JOINT OPERATION.		
5A	The PERSON or ENTITY is determined to make the following CONTRIBUTIONS:	<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
5B	The JOINT OPERATION is determined to make the following CONTRIBUTION(S).	<input type="checkbox"/> LAND <input checked="" type="checkbox"/> CAPITAL <input checked="" type="checkbox"/> EQUIPMENT
MEMBERS of the JOINT OPERATION are determined to make the following CONTRIBUTIONS:		
Member(s) Name(s): Jack Beringer, Bobby Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s): Ana Beringer, Ida Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s):		<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s):		<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
<input type="checkbox"/> Additional Pages are attached to show significant contributions of additional members.		
<input type="checkbox"/> Special rules for SPOUSES are used to credit a spouse with a significant contribution of active personal labor or active personal management in this farming operation.		
5C	Did all partners, stockholders, or members with an ownership interest represent a contribution of active personal labor and/or active personal management to the farming operation that meets all of the following: 1) performed on a regular basis; 2) identifiable and documentable; and 3) separate distinct from that of any other partner, stockholder, or member with an ownership interest in the farming operation? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
6. List in REMARKS all partners, stockholders, or members and their ownership shares that did not meet requirements in Item 5C.		
7. COMMON ATTRIBUTION applies to:		
8. Ineligible FOREIGN PERSONS are:		
PART D - REMARKS		
PART E – SIGNATURE OF REVIEWING AUTHORITY		
1. COC or STO Representative Signature <i>Roger Johnson</i>	2. Title <i>Chairman, COC</i>	3. Date <i>4/12/2009</i>
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small>		

207 Completing CCC-903's (Continued)

*--D Example CCC-903 for 2010 and Subsequent Program Years

This form is available electronically.

<p>CCC-903 (01-23-13)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">WORKSHEET FOR PAYMENT ELIGIBILITY AND PAYMENT LIMITATION DETERMINATIONS</p>	<p>1. NAME Beringer Partners II</p> <p>2. COUNTY AND STATE Johnson, TX</p> <p>3. PROGRAM YEAR (select one) <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input checked="" type="checkbox"/> 2013</p>																
PART A – TYPE OF OPERATION																	
<p>4. The operation reviewed is a:</p> <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Person</td> <td><input type="checkbox"/> Sole Proprietor/Small Business</td> <td><input checked="" type="checkbox"/> General Partnership</td> <td><input type="checkbox"/> Limited Partnership</td> </tr> <tr> <td><input type="checkbox"/> Estate</td> <td><input type="checkbox"/> City, County or State-owned Entity</td> <td><input type="checkbox"/> Joint Venture</td> <td><input type="checkbox"/> Limited Liability Company</td> </tr> <tr> <td><input type="checkbox"/> Charitable/Non-Profit</td> <td><input type="checkbox"/> Indians rep. by BIA</td> <td><input type="checkbox"/> Revocable Trust</td> <td><input type="checkbox"/> Other: _____</td> </tr> <tr> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Irrevocable Trust</td> <td><input type="checkbox"/> Public School</td> <td></td> </tr> </table>		<input type="checkbox"/> Person	<input type="checkbox"/> Sole Proprietor/Small Business	<input checked="" type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Estate	<input type="checkbox"/> City, County or State-owned Entity	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Charitable/Non-Profit	<input type="checkbox"/> Indians rep. by BIA	<input type="checkbox"/> Revocable Trust	<input type="checkbox"/> Other: _____	<input type="checkbox"/> Corporation	<input type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> Public School	
<input type="checkbox"/> Person	<input type="checkbox"/> Sole Proprietor/Small Business	<input checked="" type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership														
<input type="checkbox"/> Estate	<input type="checkbox"/> City, County or State-owned Entity	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company														
<input type="checkbox"/> Charitable/Non-Profit	<input type="checkbox"/> Indians rep. by BIA	<input type="checkbox"/> Revocable Trust	<input type="checkbox"/> Other: _____														
<input type="checkbox"/> Corporation	<input type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> Public School															
PART B - REVIEW OF ELIGIBILITY REQUIREMENTS AND CONTRIBUTIONS																	
Answer the following questions by checking "YES", "NO" or "N/A".																	
		YES	NO	N/A													
1	Are the Name and SSN (or EIN) provided for the person, legal entity and each member or interest holder? [1-CM (Rev 3) Part 6]	X															
2	If participant is an Estate, has a tax identification number (EIN) been provided for the estate? [1-CM (Rev 3) Part 6]			X													
3	If participant or any interest holder is a trust, has an EIN been provided for the trust, unless the trust is revocable trust and the grantor is the sole income beneficiary? [1-CM (Rev 3) Part 6]			X													
4	Is the person a US Citizen or a holder of a valid form I-551 (Alien Registration Receipt Card)? If the participant is a legal entity, are all interest holders US Citizens or holders of valid form I-551s? [4-PL Part 3]	X															
5	If this person or any interest holder in this legal entity is under 18-years-old, has the MINOR qualified to receive payment separate from the parent or guardian? (If "NO", See Common Attribution, Part D, Item 5.) [4-PL Part 4]			X													
6	Does this person or legal entity meet ALL of the following with regard to the farming operation: <ul style="list-style-type: none"> • has a separate and distinct interest in the land, crops, and livestock • demonstrates separate responsibility for the interest in land, crops and livestock • maintains funds and accounts separate from all other farming operations. [4-PL Part 2, Section 6] 	X															
7	Are cash rent tenant provisions met with significant contributions of either of the following: (check as applicable) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> active personal labor, or <input type="checkbox"/> active personal management and equipment (NOTE: If participant is a joint operation, each member must meet cash rent tenant provisions.) [4-PL Part 2, Section 7]	X															
8	If equipment or land is leased from a person or legal entity with interest in this farming operation, are rates and repayment terms reasonable and customary for the area? (If "NO", the input is not a significant contribution.)	X															
9	If hired labor and leased equipment originate from the same source, are separate contracts provided for the labor and for the equipment? (If "NO", equipment is not a significant contribution.) [4-PL Part 2, Section 6, Subsection 2]			X													
10	For limited partnerships, LLPs, LLCs, corporations and similar legal entities, do the partners, members or stockholders providing active personal labor and/or active personal management collectively hold at least 50 percent interest in the legal entity? [4-PL Part 4, Section 4]			X													
11	If participant or any interest holder is an estate that has been in existence for over 2 years, has required documentation been provided and determination made according to 4-PL? [4-PL Part 4, Section 5]			X													
12	If a trust, does the trust provide for modification or interest by the grantor, or provide for transfer to the remainder beneficiary in less than 20 years from the date the trust is established? [4-PL Part 4, Section 6]			X													
13	If an irrevocable trust, has trust documentation been provided and is such documentation on file? [4-PL Part 4, Section 6]			X													
14	For a State, political subdivision, or an agency thereof, is the land owned by the entity and used solely for the support of public schools? [4-PL Part 4, Section 1]			X													
15	If a charitable organization, does the land or proceeds from the farming operation transfer to an entity that exercises control over the organization? (If "YES", See Common Attribution in Part D, Item 5) [4-PL Part 4, Section 1]			X													
16	Substantive change rules were met by (check each applicable substantive change): [4-PL Part 2, Section 5]																
	<input checked="" type="checkbox"/> Addition of 1 (number) adult family member(s)	X															
	<input type="checkbox"/> For a landowner only, a change from cash rent to share rent			X													
	<input type="checkbox"/> A 20% increase in base acres, allowing recognition of one person or legal entity for payment			X													
	<input type="checkbox"/> A qualifying change in ownership of equipment			X													
	<input type="checkbox"/> A qualifying change in ownership of land	X															
	<input type="checkbox"/> Addition of equipment not previously involved in the farming operation			X													

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207 Completing CCC-903's (Continued)

*--D Example CCC-903 for 2010 and Subsequent Program Years (Continued)

CCC-903 (01-23-13)		Page 2 of 3
Participant's Name: <u>Beringer Partners II</u>		Crop Year: <u>2013</u>
PART C – FINDINGS OF THE REVIEWING AUTHORITY		
<p>CONTRIBUTIONS were determined as follows: Complete Item 1 if the participant is a PERSON or LEGAL ENTITY. Complete Item 2 if the participant is a JOINT OPERATION. Complete Items 3 through 5 if the participant is a LEGAL ENTITY.</p>		
1	The PERSON or LEGAL ENTITY is determined to make the following CONTRIBUTIONS:	<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
2	The JOINT OPERATION is determined to make the following CONTRIBUTION(S).	<input checked="" type="checkbox"/> LAND <input checked="" type="checkbox"/> CAPITAL <input checked="" type="checkbox"/> EQUIPMENT
MEMBERS of the JOINT OPERATION are determined to make the following CONTRIBUTIONS:		
Member(s) Name(s): Jack Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s): Bobby Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s): Ana Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s): Ida Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s): Jason Beringer		<input checked="" type="checkbox"/> ACTIVE PERSONAL LABOR <input checked="" type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s):		<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s):		<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
Member(s) Name(s):		<input type="checkbox"/> ACTIVE PERSONAL LABOR <input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT <input type="checkbox"/> LAND <input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
<input type="checkbox"/> Additional Pages are attached to show significant contributions of additional members.		
<input checked="" type="checkbox"/> Special rules for SPOUSES or MINOR CHILDREN are used to credit a spouse with a significant contribution of active personal labor or active personal management in this farming operation. [4-PL Paragraph 116 and 147B]		
3	For an LP, LLP, LLC, corporation or similar legal entity, did all partners, stockholders, or members with an ownership interest represent a contribution of active personal labor and/or active personal management to the farming operation that meets all of the following: 1) performed on a regular basis; 2) identifiable and documentable; and 3) separate and distinct from that of any other partner, stockholder, or member with an ownership interest in the farming operation? <input type="checkbox"/> YES <input type="checkbox"/> NO [4-PL Paragraph 147]	
4	For any partner, stockholder or member that failed to meet the requirement in Item 3, are both of the following requirements met for an exception?	
<p>- Total DCP direct payments received collectively by all partners, stockholders, and members directly and indirectly, does not exceed \$40,000 (Attach documentation of projected DCP/ACRE direct payments), AND</p> <p>- At least 50 percent of the ownership interest in the legal entity is held by partners, stockholders, or members that are actively providing labor and management to the farming operation of the legal entity. <input type="checkbox"/> YES <input type="checkbox"/> NO [4-PL Paragraph 147]</p>		
5	List all partners, stockholders, or members that do not meet requirements in Item 3 and to whom the exception in Item 4 is not applicable.	

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207 Completing CCC-903's (Continued)

*--D Example CCC-903 for 2010 and Subsequent Program Years (Continued)

CCC-903 (01-23-13)		Page 3 of 3
Participant's Name: <u>Beringer Partners II</u>		Crop Year: <u>2013</u>
PART D – DETERMINATIONS OF THE REVIEWING AUTHORITY		
Based on the information provided, COC determined the following: (Or, for joint operations with 6 or more members, the State Office determined):		YES NO
1	The farming operation is NOT ELIGIBLE for payment because the NAME and SSN or EIN of each member or interest holder were not provided. [1-CM (Rev 3) Part 6]	<input type="checkbox"/> <input checked="" type="checkbox"/>
2	LANDOWNER PROVISIONS apply to all or part of this participant's farming operation. [4-PL Paragraph 62]	<input checked="" type="checkbox"/> <input type="checkbox"/>
3A	For PERSONS or LEGAL ENTITIES: The person's or entity's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> the person or entity is ACTIVELY ENGAGED IN FARMING. (If "NO", explain in REMARKS) [4-PL Paragraphs 126-131; 146-170]	<input type="checkbox"/> <input checked="" type="checkbox"/>
3B	For JOINT OPERATIONS ONLY, each member's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> EACH MEMBER is ACTIVELY ENGAGED IN FARMING. (If "NO", explain in REMARKS) [4-PL Paragraphs 136-141]	<input checked="" type="checkbox"/> <input type="checkbox"/>
4	A CROPLAND FACTOR applies because CASH RENT TENANT rules are not met by the person, the entity, or by one or more members of the joint operation; or because the participant is only partially actively engaged in farming (if "YES", explain in Remarks) [4-PL Paragraphs 64; 91 and 92]	<input type="checkbox"/> <input checked="" type="checkbox"/>
5	A PAYMENT REDUCTION applies because all partners, stockholders, or members failed to make requisite contributions of active personal labor and/or active personal management to the farming operation that meets all of the following: 1) performed on a regular basis; 2) identifiable and documentable; and 3) separate and distinct from that of any other partner, stockholder, or member with an ownership interest in the farming operation. [4-PL Paragraphs 64; 137 and 147]	<input type="checkbox"/> <input checked="" type="checkbox"/>
6	COMMON ATTRIBUTION applies to the following:	
7	Ineligible FOREIGN PERSONS are:	
8	Ineligible ESTATES OVER 2 YEARS OLD are:	
9	SUBSTANTIVE CHANGE was required, but NOT MET by:	
PART E – REMARKS		
PART F – SIGNATURE OF REVIEWING AUTHORITY		
1. COC or STO Representative Signature <i>Isl Roger Johnson</i>	2. Title <i>Chairperson COC</i>	3. Date <i>3/15/13</i>
PART G – ACTIONS COMPLETED		
	Action	Date
1	Written NOTICE OF DETERMINATION issued to all parties. [4-PL Part 7]	3/19/13
2	Determinations recorded in the WEB ELIGIBILITY files. [3-PL (Rev. 1) Paragraphs 24-31]	3/19/13
3	For Entities and Joint Operations: Subsidiary files were verified or updated to reflect correct: - members - shares - member contributions - substantive change status	3/19/13
4	As applicable, a CROPLAND FACTOR was computed and recorded in web eligibility files.	
5	If the participant has interests in MULTIPLE COUNTIES, other counties were notified of the determinations. [4-PL Paragraphs 226-229]	
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</small>		
<small>To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small>		

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Subsection 2 State Office Determinations

236 Required State Office Determinations

A Rule on Required State Office Determinations

[7 CFR 1400.2] State Office review and determination is:

- **required** in 2009 for initial eligibility and actively engaged in farming determinations for joint operations with 6 or more members

- ***--not** required in 2010 through 2013 when **both** of the following apply:--*
 - State Office made eligibility and actively engaged in farming determinations for the joint operation in a previous year

 - producer certifies minor changes in the farming operation and COC determines that the changes will **not** affect determinations previously made by the State.

Notes: State Offices are **not** required to make initial determinations for Indians receiving payment through affiliation with BIA or on lands owned by or held in trust for an Indian tribal venture.

Complex cases **must** be reviewed by STC.

COC's shall **not** make or recommend a determination.

236 Required State Office Determinations (Continued)**B Related Farming Operations**

If State Office is required to make eligibility and actively engaged in farming determinations for a producer and the producer is also involved in another farming operation as an individual or member of a joint operation or entity:

- CCC-902's for the other farming operations are **not** required to be sent to the State Office for determination

Exception: If there is reason to believe the additional CCC-902's would change the determination, the State Office may require CCC-902's for the other farming operations.

- the applicable control COC for the other farming operations shall:
 - make the required determinations for that farming operation
 - notify the producer.

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 (HELIC) 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-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	442
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
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

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

Forms (Continued)

Number	Title	Display Reference	Reference
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
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

1/ Form is obsolete.

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

Abbreviations Not Listed in 1-CM

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

Approved Abbreviation	Term	Reference
AMA	Agriculture Management Assistance	11, 187
AWEP	Agricultural Water Enhancement Program	11, 187
CBWP	Chesapeake Bay Watershed Program	11, 187
CCPI	Cooperative Conservation Partnership Initiative	11, 187
CPA	Certified Public Accountant	189, 200, 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
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

Impact of Food, Conservation, and Energy Act of 2008 on CRP-1 Payment Eligibility and Payment Limitation

Notes: See subparagraph 190 E for forms required for AGI provisions.

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Type of Action	Date Action Was Approved		Applicable Payment Eligibility/Limitation Rules	Forms	Example
	10/1/02 Through 9/30/08	10/1/08 or Later			
New CRP-1	✓		Based on original CRP-1 Approval Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves original CRP-1 after October 1, 2002.
Succession-in-Interest (When CRP-1 was not subject to AGI before succession.)	✓	✓	Based on original CRP-1 Effective Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 1999 CRP-1 approved July 1, 2004. According to 1-PL, AGI rules do not apply for CRP-1 with an effective date before October 1, 2002; therefore, AGI rules will not apply to the successor.
Succession-in-Interest (When CRP-1 was subject to AGI before succession.)	✓	✓	Based on the CRP-1 succession Effective Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2004 CRP-1, effective August 1, 2009. (1-PL rules apply for life of CRP-1 based on the original October 1, 2003, effective date.)
	Before 12/29/06				
REX Extension (When CRP-1 was not previously subject to AGI.)	✓		Based on CRP-1 Extended Period Start Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves a 3-year extension to a 1997 CRP-1 on November 16, 2006. Effective date of the extension is October 1, 2007. (CRP-1F Addendum activates AGI from the CRP-1 extended period.)
REX Re-Enrollment (Created new CRP-1 subject to AGI.)	✓		Based on the reenrollment CRP-1 Approval Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves a reenrollment (new CRP-1) for a 2000 CRP-1 on December 5, 2006. Effective date for the reenrollment is October 1, 2010. (1-PL rules will apply based on the approval date before October 1, 2008.)
New CRP-1		✓	Based on CRP-1 Approval Date: Direct Attribution.	CCC-901 CCC-902 <u>1/</u> CCC-931	COC approves original CRP-1 after October 1, 2008.
Succession-in-Interest (When CRP-1 was subject to 2008 Act AGI before succession.)		✓	Based on CRP-1 Approval Date: Direct Attribution.	CCC-901 CCC-902 <u>1/</u> CCC-931	New producer succeeds to a 2009 CRP-1, effective August 1, 2011.

1/ CCC-902 parts that are applicable according to subparagraph 34 D.--*

Impact of Food, Conservation, and Energy Act of 2008 on CRP-1 Payment Eligibility and Payment Limitation (Continued)

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Type of Action	Applicable Payment Eligibility/Limitation Rules	Forms	Example
Action Approved 10/1/02 thru 9/30/08			
New CRP-1	Based on CRP-1 Effective Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New CRP-1 is approved September 10, 2008. New producer succeeds to a 1999 CRP-1, effective July 1, 2008.
Succession-in-Interest (When CRP-1 was not subject to AGI before succession.)	Based on the parent CRP-1 Effective Date: Person, actively engaged in farming, permitted entity.		
Succession-in-Interest (When CRP-1 was subject to AGI before succession.)	Based on the parent CRP-1 Effective Date: Person, actively engaged in farming, permitted entity.		New producer succeeds to a 2004 CRP-1, effective August 1, 2008.
REX Extension (When CRP-1 was not previously subject to AGI.)	Based on the Extended Period Start Date: Person, actively engaged in farming, permitted entity.		COC approves a 3-year extension to a 2000 CRP-1 on November 16, 2006. Effective date of the extension is October 1, 2010.
Re-Enrollment (New CRP-1 subject to AGI.)	Based on the reenrollment CRP-1 Approval Date: Person, actively engaged in farming, permitted entity.		COC approves a reenrollment (new CRP-1) on December 5, 2006. Effective date for the reenrollment is October 1, 2009.
Action Approved 10/1/08 or Later			
New CRP-1	Based on CRP-1 Approval Date: Direct Attribution.	CCC-901 CCC-902 <u>1</u> /	New CRP-1 is approved on December 12, 2009.
Succession-in-Interest (When CRP-1 was not subject to AGI before succession.)	Based on the original CRP-1 Approval Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2001 CRP-1, approved December 10, 2008.
Succession-in-Interest (When CRP-1 was subject to AGI before succession.) REX Extension during the extended period.	Based on CRP-1 Approval Date: Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2006 CRP-1, approved June 10, 2009.
Succession-in-Interest (When CRP-1 was subject to 2008 Act AGI before succession.)	Based on CRP-1 Approval Date: Direct Attribution.	CCC-901 CCC-902 <u>1</u> / CCC-931	New producer succeeds to a 2009 CRP-1 effective August 31, 2010.

1/ CCC-902 parts that are applicable according to subparagraph 34 D.--*

***--Explanation of the IRS Rejection Message, “Not found on master file”, and Recommended FSA Actions**

If the IRS rejection message, “Not found on master file” is received, follow this table.

IF CCC-931 or CCC-933 filer is...	THEN FSA actions are as follows...
minor child	<ul style="list-style-type: none"> • place rejection message and CCC-931 or CCC-933 in producer’s eligibility files • consider the producer AGI compliant for the specific program year. <p>Note: Additional information may be requested and/or required by the reviewing authority to verify tax status or classification.</p>
<ul style="list-style-type: none"> • Native American • member of recognized tribe • Alaskan Native • Pacific Islander 	
individual with annual income less than minimum threshold of required filing	
apostolic or religious organization (504c designation by the IRS)	
charitable organization	
nonprofit organization (501c designation by the IRS)	<ul style="list-style-type: none"> • place rejection message and CCC-931 or CCC-933 in producer’s eligibility files • consider the new legal entity AGI compliant for the specific program year only • obtain valid CCC-931’s or CCC-933’s from all interest holders for the specific program year.
new legal entity	
individual opposed to filing Federal income taxes	<ul style="list-style-type: none"> • determine the producer as AGI noncompliant and ineligible for all payments and benefits under programs subject to the AGI limitations • provide written notice with review rights according to 1-APP • if requested, do not issue payments and benefits under any program subject to AGI limitations • initiate receivables if payments and benefits have been issued under any program subject to AGI limitations.
individual knowingly failed to file Federal income taxes in all 3 years of the qualification period	

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AGI Compliance Review Checklists

A Example of CL-1 Checklist

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The following optional checklist may be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

CL-1 AGI Compliance Review Checklist CPA or Attorney Certification Statement					
Producer Name:	Year(s) Reviewed:	<input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input type="checkbox"/> 2013			
		Yes	No	N/A	
1.	Did the participant submit the required documentation within the required timeframe? Date documentation received: _____				
2.	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. (<i>Optional - complete only if credentials or status are in question.</i>)				
3.	Was the statement prepared for the correct participant subject to the AGI compliance review?				
4.	Does the statement contain all the required elements to be considered acceptable for average AGI compliance verification purposes? (<i>Exhibit 1</i>)				
5.	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. (<i>Exhibit 1</i>) 				
6.	Has the Average AGI Calculation Worksheet been completed to verify correctness of the computations?				
7.	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?				
8.	Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?				
9.	Was the participants AGI certification correctly recorded in the web eligibility file? (Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)				
10.	If the participant is determined to be <i>not eligible</i> for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (<i>SED determination field</i>)?				
11.	Has written notice of the determinations been provided to the participant, and if adverse, has the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____				
12.	For participants determined <i>not eligible</i> , has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?				

AGI Compliance Review file should contain the following documents upon completion of the review:

- documentation received from the participant;
- copy of subsidiary print prior to 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, *if necessary to determine compliance*;
- 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.

Name of person completing review: _____

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AGI Compliance Review Checklists (Continued)

A Example of CL-1 Checklist (Continued)

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CL-1	AGI Compliance Review Checklist CPA or Attorney Certification Statement
<i>Reference 4-PL, Subparagraphs 203.8 D and 204 C</i>	
<p>Certifications will only be accepted from licensed CPA's and attorneys. Statements from enrolled agents will not be accepted. If a letter is submitted by CPA or an attorney to certify compliance with an average AGI limitation for which a person or entity received notification of possible noncompliance, the letter must include the following elements.</p>	
<ul style="list-style-type: none">• CPA's or attorney's State license identification number.• Explanation of the reason for the certification.• Acknowledgement of having read, understood, and agreement to the terms and conditions of 4-PL subparagraph 203.8, including the following:<ul style="list-style-type: none">• 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 CPA/attorney of such matters, and understands the tax years used to calculate the average AGI for program years 2009 through 2013.• Relevant information on the most recently filed tax returns for the period in question, which includes:<ul style="list-style-type: none">• the correct and applicable 3-year period for qualification;• the average AGI limitations to which compliance is verified;• the referenced schedules and line items of filed tax returns;• the filing date(s) for the referenced tax returns.• If applicable, a detailed explanation of how the applicable average AGI limitations were not exceeded even though the information on tax returns indicates otherwise.	

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AGI Compliance Review Checklists (Continued)

B Example of CL-2 Checklist

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The following optional checklist may be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

CL-2 AGI Compliance Review Checklist IRS Tax Information - Returns and Schedules					
Producer Name:	Year(s) Reviewed:	<input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012 <input type="checkbox"/> 2013			
		Yes	No	N/A	
1.	Did the participant submit the required documentation within the required timeframe? Date documentation received: _____				
2.	Was the tax information provided for the correct participant subject to the AGI compliance review?				
3.	Was the tax information signed, or otherwise verified as filed with the IRS, by the participant subject to the AGI compliance review?				
4.	Were the sets of tax returns complete as to be considered acceptable for average AGI compliance verification purposes?				
5.	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. 				
6.	Has the Average AGI Calculation Worksheet been completed to verify correctness of the participant's AGI certification?				
7.	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?				
8.	Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?				
9.	Was the participants AGI certification correctly recorded in the web eligibility file? (Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)				
10.	If the participant is determined to be <i>not eligible</i> for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (<i>SED determination field</i>)?				
11.	Has written notice of the determinations been provided to the participant, and if adverse, has the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____				
12.	For participants determined <i>not eligible</i> , has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?				

AGI Compliance Review file should contain the following documents upon completion of the review:

- all tax documentation received from the participant;
- copy of subsidiary print prior to 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, *if necessary to determine compliance*;
- 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.

Name of person completing review: _____

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AGI Compliance Review Checklists (Continued)

B Example of CL-2 Checklist (Continued)

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<p>CL-2 AGI Compliance Review Checklist IRS Tax Information - Returns and Schedules</p>		
<p><i>Reference 4-PL, Paragraph 191</i></p> <p>The following provides guidance for the forms used when determining AGI using data reported to IRS.</p>		
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.
<p>The following provides guidance on the supporting schedules and forms that <u>may</u> be used when determining <u>farm</u> AGI using data reported to IRS.</p>		
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 is carried forward to Schedule D, line 11 and to Form 4797, line 4.	

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