

512.114 Checklist to Address NRCS Customer Eligibility Issues

Program: Choose an item.

ProTracts Contract Number: Participant Name:

Checklist Completed by: Date: [Click here to enter a date.](#)

(Check each box after completion or verification of eligibility item)

Define which action the eligibility issue is impacting:

- ☐ A. Current-year obligation.
- ☐ B. Contract payment or contract modification for contract year: Choose an item.
- ☐ C. Contract successor-in-interest.

Successors-in-interest to prior-year obligated contracts must complete and submit one of the following AGI certification forms per the Farm Service Agency (FSA) requirements.

Farm Bill	AGI Certification Form
2002 Farm Bill	CCC-526C
2008 Farm Bill	CCC-931C
2014 Farm Bill	CCC-941

Participants succeeding to a contract must record and document on the appropriate AGI certification form as listed above for the fiscal (program) year in which they will be added to the contract and be eligible to receive benefits, per guidance in Title 440, Conservation Programs Manual (CPM), [Part 512](#), Subpart F, Section 512.54.

Note: For contract participants that are entities, new entity members succeeding to the contract are required to file appropriate AGI certification forms for the entity to maintain 100-percent AGI eligibility for payments. The AGI eligibility year of an entity member is based on the date that the member first became a part of the contract regardless of the year the contract was obligated. ProTracts automatically records the date of a new entity member and the AGI eligibility year in ProTracts/FM (Fund Manager) “View History.”

Note: With the exception of AMA, **all** program contracts obligated in ProTracts during fiscal year 2014 are exempt from filing and certification for AGI, **including successors to the contract** per the requirements of the appendix associated with the contract.

NRCS – Verification – General Eligibility Issues:

1. ☐ NRCS - Check “Update Eligibility”

Use the “Update Eligibility” in the NRCS ProTracts/FM database to verify the current status of eligibility for program participants. If a participant or member of an entity that is a participant has been found to be ineligible and NRCS or FSA is investigating or working to resolve an ineligibility issue, this step should be repeated periodically to determine if the issue has been resolved.

Review “Program Eligibility Matrices” in [440-CPM, Part 512](#), Subpart J, Section 512.112, for the applicable program, business type, and applicable Farm Bill requirements. Determine if

two potential error messages from ProTracts/FM eligibility database business tools that may be associated with these kinds of eligibility issues apply.

- A. "Business type is not permitted for this program" means that the participant business type is not eligible for program benefits. Verify correct business type or check box if ☐ "Not Applicable."
- B. "Subsidiary records indicate an ineligible participant" means that the specific participant may not be eligible per program requirements. Verify eligibility recorded in the FSA Business Partner database, FSA Subsidiary Eligibility Database, or check box if ☐ "Not Applicable."

2. ☐ Check other eligibility or certification requirements that may be causing eligibility to fail. FSA records producer eligibility determinations in their "Web-based Subsidiary Eligibility System," which NRCS transfers into the eligibility database used by Fund Manager and ProTracts. If the NRCS database error message indicates "Subsidiary records indicate an ineligible participant," check and verify the following:

For an error message during an application, modification, or payment request, check eligibility determinations as follows:

- ☐ A. Form AD-1026, "Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification," in ProTracts is filed, certified, and eligibility = "Y"
- ☐ B. Farm Tract Eligibility – FTE in ProTracts. Determine if participant is "In Compliance" and FTE eligibility = "Y":
 - ☐ (i) Highly Erodible Land Conservation (HELC)
 - ☐ (ii) Planted Converted Wetland- PCW (If applicable)
 - ☐ (iii) Converted Wetland – CW (If applicable)
- ☐ C. FSA Subsidiary Eligibility System - <https://intranet-apps.fsa.usda.gov/Subsidiary/Subsidiary.do>
(For more guidance, see [FSA Handbook 3-PL](#) Paragraph 303 for instructions how to search and print eligibility reports.)

Compare eligibility values between NRCS eligibility and FSA subsidiary reports.

- ☐ D. Not Filed. If ProTracts/FM eligibility database values are "Not Filed," refer to [440-CPM, Part 512](#), Subpart J, Section 512.91, for appropriate and timely notification of applicant or participant regarding need to file or confirmation that forms have already been filed.
- ☐ E. No Association. If the ProTracts/FM database indicates the participant has "No Association" for a HELC, PCW, or PC-related FTE eligibility determination, check if Form AD-1026 has been properly submitted and recorded. See 440-CPM, Part 512, Subpart J, Section 512.112, "Eligibility Matrix," for FTE eligibility requirements for specific business types.

NRCS – Verification – Adjusted Gross Income (AGI) Eligibility Issues:

3. ☐ Check AGI eligibility – NRCS must confirm that the participant has submitted the appropriate forms requesting AGI determination, and verify and compare AGI values in FSA Subsidiary Eligibility Database and NRCS ProTracts/FM eligibility screen including that for each participant entity member. AGI determinations for original contract participants and entity members are based upon the year of obligation of the original contract and remain valid through the life of the contract. AGI determinations for new contract participants, including successors and new entity members, are based on the year they become participants or members on the contract. Zero-percent payment-share contract signatories are not eligible to receive program payments and are not subject to AGI eligibility requirements.

Each Farm Bill authority established different requirements for income levels associated with AGI determinations, summarized as follows:

Farm Bill	AGI Requirement for Covered Conservation Programs
2002 Farm Bill	A person or legal entity that is determined to have an average adjusted gross income, as defined, that is less than 75 percent from farming, ranching, or forestry operations and that exceeds \$2.5 million is ineligible for any covered conservation payment or benefit during the applicable year.
2008 Farm Bill	A person or legal entity with an average adjusted gross nonfarm income exceeding \$1 million is ineligible for any covered conservation program payment or benefit, unless at least 66.66 percent of total AGI was farm income.
2014 Farm Bill	A person or legal entity with average adjusted gross income greater than \$900,000 is ineligible for any covered program payment or benefit.

Depending upon the program year and applicable Farm Bill, the FSA Subsidiary Eligibility Database will reflect one of the following determinations that impact NRCS conservation programs:

2002 Farm Bill	2008 Farm Bill	2014 Farm Bill
• Compliant - CCC-526C • Exempt • Compliant – Agent • Not Met – COC • Not Filed • Not Met – Producer	• Compliant – Producer • Exempt • Compliant – Agent • Not Met – COC • Not Filed • Not Met – Producer • Not Met – SED	<u>AGI</u> • Not Filed • Exempt • Filed CCC-941 • Not Met – Producer <u>IRS Verify/Determination</u> • Not Processed • Compliant – Producer • Compliant – Less than 3 years • Failed Verification • Not Compliant <u>SED Determination</u> • Compliant - Review • No Determination • Mismatch Verified • Not Compliant

The FSA determinations (**highlighted in bold print**) will typically translate into positive or eligible status in NRCS Fund Manager/Protracts databases with indicators of: “Eligible,” “Y,” “Not Applicable,” and “Exempt.” AGI determinations impact both contract eligibility at time of obligation and payment eligibility based on the eligible payment shares of members within an entity.

NRCS – Verification – Participant-Entity Member Eligibility Issues:

The NRCS ProTracts/FM eligibility database may issue a “Subsidiary records indicating an ineligible participant,” which could result from errors in participant farm records. Common error messages:

4. ☐ Error message = “Required Owners Missing.” For entity participants, ensure that the current year operating plan status is either “filed” or “determined.” Prior to requests for assistance from National Headquarters, NRCS State program managers must request that the appropriate FSA State manager review and verify that the current year farm operating plan and member information has been correctly entered by the local FSA county office.
5. ☐ Error message = “Entity ownership shares do not equal 100%.” Verify that member share as listed in FSA records total to 100%. If FSA records do indicate 100% of shares are accounted for, request FSA State manager to review the entity membership information to ensure that the membership information on the current year farm operating plan was loaded by the local office in the correct order or proper sequence.
6. ☐ Missing Tax Identification Number (TIN): If FM/ProTracts does not have a TIN (EIN or SSN) for a participant or entity member, or if an error message indicates that the TIN is ineligible for program benefits, then verify if the correct number is recorded in the FSA Business Partner database (previously SCIMS) and in the farm operating plan.
7. ☐ Incorrect Entity Type: If the entity type in FM/ProTracts and/or the farm operating plan does not match the type recorded in the Business Partnership database, then verify the correct entity type and ask FSA to correct appropriate records.
8. ☐ Joint Operations Issues: A joint operation business type can present special challenges in terms of member eligibility and meeting program requirements. Check and verify if any of the following problems or issues impact eligibility of members of a joint operation:
 - a. ☐ Missing Member: If a joint operation entity type (general partnership or joint venture) is missing one or more members, verify that the current-year farm operating plan is recorded by FSA as “Filed” or “Determined” status. If not, the NRCS State program manager may request the FSA State office review the farm operating plan and associated entity member information to verify that entity and member information has been correctly entered.
 - b. ☐ Missing AD-1026, HELC certification for members of joint operation.
 - c. ☐ Missing TIN for members of joint operation.
 - d. ☐ Entity type record in farm operating plan does not match business type recorded in the FSA Business Partner database.
 - e. ☐ Member AGI problem:
 - i. ☐ 2002 Farm Bill AGI
 - ii. ☐ 2008 Farm Bill AGI
 - iii. ☐ 2014 Farm Bill AGI

NRCS – Verification – Program Payment Limitation Issues:

Program legislation (Farm Bills) has established varying payment limitations for certain programs and participants. There is no direct correlation between eligibility determinations provided by FSA through the Web service, and problems or issues involving payment limitations.

9. ☐ Program Payment Limitation Issue

NRCS-FSA Verification – Farm Operating Plan - Subsidiary Issues:

Other common problems may be associated with the participant farm operating plan for the current fiscal year. NRCS staff should access the FSA Subsidiary Web site at “<https://intranet-apps.fsa.usda.gov/Subsidiary/Subsidiary.do>” and access the “Business File” tab to verify that a farm operating plan has been entered and recorded for the participant and each member of an entity for each fiscal year that program benefits are requested. If the database indicates “**There are no Farm Operating Plans recorded**,” request that FSA enter a plan as soon as feasible. For more information about farm operating plans, refer to FSA guidance in [FSA Handbook 3 CM](#).

For each customer, the farm operating plan recorded in the FSA business file, must have a status of “Filed” or “Determined” and the associated form CCC-902 should be recorded in this database for each fiscal year. Click on the “View 902” button to see the CCC-902 form and compare recorded data with FSA Business Partner database (previously SCIMS) and NRCS FM/ProTracts information. A properly recorded farm operating plan will help verify the following:

- 10. ☐ Correct name of individual, member or entity
- 11. ☐ Correct participant entity type
- 12. ☐ Correct TIN (EIN or SS#)
- 13. ☐ Current farm operating plan for each FY that program benefits are requested

Elevating Unresolved Eligibility Issues:

If eligibility issues in NRCS ProTracts/FM database cannot be resolved at the local level, the problem should be elevated to the State or national level for further investigation.

State program managers may escalate unresolved issues to the FAPD help desk at

“RA.DCWashing2.NRCS-FAPD” - NRCS-FAPD@wdc.usda.gov

To ensure timely assistance and tracking of State requests, include the following in each separate request (limit: one request per single application/contract per email):

- A. ☐ This completed checklist
- B. ☐ The eligibility tracking spreadsheet
- C. ☐ Other additional documentation as applicable
- D. ☐ Include the contract number in the subject line

Note: Please send appropriate year FSA subsidiary reports confirming participant’s eligibility only after removing any PII; please encrypt and password protect all attachments. For more information regarding protocol or assistance resolving eligibility issues, see section [512.3E](#).

Additional or more specific comments: