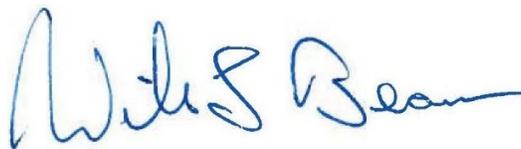


For: State and County Offices

Preparing for the Coronavirus Food Assistance Program (CFAP)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Coronavirus Aid Relief and Economic Security Act (CARES Act, Pub. L. 116-136) was signed into law on March 27, 2020, to provide relief to producers and livestock owners that have been negatively impacted by the COVID-19 outbreak. CFAP will use the funding and authorities provided in the CARES Act and the CCC Charter Act to provide support to producers and livestock owners when prices and market supply chains have been impacted. CFAP will also assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply caused by COVID-19.

Producers who have not done business with FSA and do not have records established may be eligible for CFAP.

B Purpose

This notice provides guidance to State and County Offices in preparation for the upcoming CFAP signup and the potential of working with new producers.

Guidance provided includes:

- establishing new producers in Business Partner (BP)
- required average adjusted gross income (AGI) certification
- payment limitation and eligibility requirements
- required conservation compliance provisions
- forms required to collect essential data from producers.

Disposal Date	Distribution
January 1, 2021 5-7-20	State Offices; State Offices relay to County Offices

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2 Establishing Customer Records for New Producers

A Overview

All individuals and entities requesting CFAP benefits must have a Customer Relationship Management (CRM) BP customer record established with a TIN validated by the IRS.

B Search for Existing Record

County Offices must perform a thorough nationwide search in BP according to 11-CM, Part 2, Section 3, to determine if a customer record already exists. If an existing customer record is located, it should be updated with any additional information provided on the AD-2047 completed by the customer. Refer to 11-CM, Part 3, Section 1, for editing customer records.

C Create New Customer Record

If an existing customer record cannot be located in BP, a new customer record will be required. Collect a completed AD-2047 and/or manual CCC-902 (or CCC-901, if applicable) from the customer with required customer information (according to 11-CM, paragraph 52). Create a new BP customer record according to 11-CM, paragraph 56.

Note: Collection of producer information on a manual CCC-902 (or CCC-901, if applicable) **must** be entered in Business File immediately after the customer profile is entered in BP. See Paragraph 4.

3 AGI Requirements

A Obtaining Average AGI Certification

Persons and legal entities (including members of the legal entities) applying for CFAP benefits must certify to meeting AGI requirements not in excess of \$900,000. County Offices will:

- accept a CCC-941 for program year 2020 from producers requesting benefits
- obtain a CCC-942 for program year 2020 if producer does not meet the \$900,000 requirements and 75 percent of their income is derived from farming, ranching, and forestry operations
- update the producer's certifications and the "Date Documentation Filed by Producer" in Subsidiary according to 3-PL (Rev.2)
- send CCC-941 to IRS.

Note: A future PL notice will provide new guidance for FSA to verify AGI certifications with the IRS. County Offices will process AGIs according to new policy once it is issued.

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4 Producer Payment Eligibility

A Payment Eligibility Requirements

If not already on file, CCC-902 or CCC-901 will be required to collect information necessary to make a proper eligibility determination on CCC-903. It is recommended that the Business File application be used to collect the required information for the farming operation. The following payment limitation and payment eligibility provisions are applicable to persons and legal entities requesting CFAP benefits:

- payment limitation and attribution
- foreign person rules requiring collection of citizenship status and contributions of foreign persons to the farming operation.

COC must record determinations on CCC-903 for foreign persons. County Offices will update eligibility flags in Subsidiary according to 3-PL (Rev. 2).

B Payment Limitation

Payment limitation and direct attribution will apply to all CFAP payments. Rules for applying payment limitation will be announced in 1-CFAP.

5 Conservation Compliance

A HELC/WC Provisions

All persons requesting CFAP benefits are subject to HELC/WC provisions. AD-1026 (Continuous Certification of Conservation Compliance) must be on file.

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6 Forms

A Applicable Eligibility Forms

The following forms must be on file for all persons and entities requesting CFAP benefits:

- CCC-902 - Farm Operating Plan

Notes: Only the following fields are required to be completed for CFAP purposes:

- names, addresses, and TIN's
- citizenship status
- contributions to the farming operation for foreign persons

CCC-902's completed in the automated system will not require information collection on manual form CCC-901's.

- CCC-901 - Member Information will be completed by legal entities and joint operations to collect the following:

- member names, addresses and TIN's
- citizenship status

Note: If any member of the legal entity is a foreign person, CCC-902 must be completed by the legal entity or joint operation.

- CCC-903 - Worksheet for Payment Eligibility and Payment Limitation Determinations must be completed by COC
- CCC-941 - Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information
- AD-1026 - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification

Note: Additional AD-1026 certification guidance applicable to CFAP is forthcoming. Policy will be in 1-CFAP and documented on the CFAP application.

The following forms may be required for persons and entities requesting benefits:

- CCC-942 - Certification of Income from Farming, Ranching and Forestry Operations
- AD-2047 - Customer Data Worksheet Request for Business Partner Record Change
- SF-3881 - ACH Vendor/Miscellaneous Payment Enrollment Form (Direct Deposit).

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7 Action

A County Office Action

In preparation for CFAP signup, County Offices **will**:

- create producer records in CRM BP for new producers
- obtain all required eligibility forms for new producers (except AD-1026, see note in subparagraph 6 A)
- review eligibility of all existing producers who inquire about CFAP benefits and obtain any required forms not already on file (except AD-1026, see note in subparagraph 6 A)
- ensure COC makes timely determinations on CCC-903 according to information provided on CCC-902
- update Business File farm operating plans and eligibility certifications/determinations in Subsidiary according to 3-PL (Rev.2).

B State Office Action

State Offices **will**:

- ensure County Offices are aware of the contents of this notice
- provide additional assistance and/or resources that County Offices may need to prepare for CFAP signup.

C Contact Information

County Offices will contact their respective State Office Specialist responsible for BP, payment limitation/payment eligibility (including AGI), and conservation compliance policy.

State Offices will contact the following:

Question Topic	Contact Name	Contact Info
Business Partner	Paul Hanson and Kerry Sefton Michele Davidson	paul.hanson@usda.gov kerry.sefton@usda.gov michele.davidson@usda.gov
Payment Limitation Payment Eligibility AGI	Paul Hanson; and Jenae Prescott	paul.hanson@usda.gov jenae.prescott@usda.gov
Conservation Compliance	Joe Fuchtman	joseph.fuchtman@usda.gov 202-260-9146