



FSA Payment Limitation and Payment Eligibility End-of-Year Review

Kennedy and Coe, LLC
Farm Program Services

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(Rev. 8/07)

FSA End-of-Year Review

1. Have you recently restructured your farming operation with regard to ownership or how you operate?
2. Have you made any significant changes to your FSA Farm Operating Plan filed in the previous year with your local FSA Office?
3. Did your CCC-502 Farm Operating Plan(s) for the year of review accurately reflect your actual farming operations?
 - a) Did members make labor and management contributions as identified on the Farm Operating Plan for the year of review?
 - b) If you leased land and/or equipment as part of your farming operation, were there written leases in place and were lease rates fair and reasonable for the area?
 - c) Did any member guarantee a joint operating loan by pledging personal assets or personally loan money to the partnership? Have assets of one farming operation been used to guarantee the loan of another farming operation?
 - d) Are you cash renting land then crop sharing or having the farming operation performed through custom hire?
4. If you are farming through an entity such as a corporation, limited partnership, limited liability company, trust or estate:
 - a) Were there any changes in members during the year in question; if so, did changes occur before or after April 1st of the year of review?
 - b) Were capital accounts maintained in accordance with the Farm Operating Plan filed?
 - c) Was distribution of any profit or loss from the business to members (as reflected on the K-1 of the tax return, if applicable) not commensurate with ownership?

If you answered “yes” to any of the above questions, you may have considerable risk associated with eligibility for all or a portion of your farm program payments and you may be a candidate for the “FSA End-of-Year Review”.



KENNEDY AND COE, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

FSA End-of-Year Review

1. How much does an FSA End-of-Year Review cost?

Basic fee is \$2,500 per operation; however, cost is based upon size and complexity of the farming operations, timeliness and completeness of documentation provided by client, and issues that must be addressed in the review.

2. What do I get from the review?

A. Binders for you, your accountant and your county FSA office complete with samplings of documents that are reflective of your farming operations including but not limited to:

- 1) Farm Operating Plan - CCC-502 Document
- 2) A copy of the partnership agreement where applicable
- 3) A copy of the pertinent tax return information
- 4) A random sampling of checks for operating expenses
- 5) Copies of operating expense invoices in the name of the operating entity
- 6) Copies of crop insurance statements
- 7) Copies of invoices and/or cancelled checks for purchase of crop insurance
- 8) Grain settlement information and check copies
- 9) Equipment and land leases with corresponding checks
- 10) Management and labor certification statements to support actual management and labor contributions
- 11) Substantiation of hired labor, if applicable
- 12) Operating note(s) in the name of the operating entity

B. Transmittal letter to FSA outlining how the entity and/or members met the “actively engaged in farming” and “person determination” rules as they apply to your operation.

3. What information does Kennedy and Coe, LLC need to complete the review?

- A. Copy of the FSA End-of-Year Review notification letter.
- B. Copy of income tax return for year selected for review.
- C. Copy of operating note and security agreement with lender for year selected for review.
- D. Copies of CCC loan documents.
- E. Checks selected at random in each month of the crop year to include such expenses as crop insurance, seed, fertilizer, chemicals, office expense, labor costs, equipment maintenance, professional fees, etc.
- F. Executed copies of all cash land leases and equipment lease, if any, and copies of checks substantiating that cash land and equipment leases were paid as planned.
- G. Copies of grain contracts, if any, on deferred sales of grain and settlement sheets showing grain was sold in operation name. If grain is under CCC loan, copies of loan documents.
- H. Copy of general ledger showing income and expenses for year selected for review.

4. How do I sign up for the review?

- A. Sign the request form for FSA End-of-Year Review below.
- B. Complete the FSA End-of-Year Review Questionnaire attached.
- C. Complete the Authorization form attached that allows Kennedy and Coe LLC, to acquire needed information from FSA.
- D. Provide the information identified herewith to Kennedy and Coe, LLC.
- E. Mail the above information to any Kennedy and Coe LLC, representative or fax the information to (785) 899-7260.

Please enroll me in a FSA Farm Program “FSA End-of-Year Review”.

Signature _____ Date _____

FSA End-of-Year Review Questionnaire

1. Name of the Operating Individual, Joint Venture, General Partnership or Entity being reviewed.

2. Identify crop year for review _____
3. Who owns the equipment and how is it provided to the operation? Were there written leases in place and were leases paid timely?

4. Who owns the land and how is it being contributed to the operation? Were there written lease(s) in place and were leases paid timely?

5. How is financing being provided to the operation? What was used as collateral for the loan?

6. Did any member/owner loan money to the operating partnership or entity or did any member pledge personal collateral to guarantee the loan? _____

7. If a joint operation, are contributions of labor and management equal by each member? Yes_____ No_____. If No, describe how labor and management were contributed by each member. Was any member paid as a guaranteed payment for any labor or management contributions? If Yes, who received the guaranteed payment and what was it for?

8. If a Corporation, Limited Partnership, Limited Liability Company (LLC), Trust or Estate, who provides the labor and management on behalf of the entity?

9. If an entity as described above, are all legal documents current, i.e. annual corporate minutes; any annual filing with secretary of state's office? Yes_____ No_____

AUTHORIZATION FOR RELEASE OF INFORMATION

(In accordance with FOIA/PA, specifically National FSA Notice INFO-24) Pursuant to 5 U.S.C. 552a(b), I authorize the U.S. Department of Agriculture to release any and all information relating to me to: Wayne Myers, Rue Sowers, Judy Finley, Gordon Pettibone, April Hall, Todd Jennison or their designated representative on behalf of Kennedy and Coe, LLC to obtain FSA records and information applicable to all our farming operations. Kennedy and Coe, LLC will be in contact with your office to request specific information that they may need. This authorization shall apply in all programs administered by all FSA County Offices identified below. This authorization shall remain in effect until revoked in writing.

Name of Farming Operation Entity: _____

By: _____ Social Security/ID Number: _____
(Signature)

Address: _____ Date of Birth: _____

Dated this ____ day of _____, 200__.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that I am the person named above, and I understand that any falsification of this statement is punishable under the provisions of 18 U.S.C. Section 1001 by a fine of not more than \$10,000 or by imprisonment of not more than five years or both, and that requesting or obtaining any record(s) under false pretenses is punishable under the provisions of 5 U.S.C. 552a(i)(3) by a fine of not more than \$5,000.

I have the farming interest in the following states and counties:

State(s)

County FSA Office(s)

Note: Please specify "control" county.
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