

Eligibility – Revocable Trust or Grantor Trust

Definition: A revocable or grantor trust can be modified or terminated by the grantor or the assets revert to the grantor after a specific period of time.

Trust members are: Members are usually the grantor(s) and any other first level beneficiaries of the trust.

Trustees are: The person(s) authorized by the trust to manage the trust. Trustees can be the grantor(s) and/or beneficiaries of the trust. Trustees can also be a bank or attorney.

First level beneficiaries are: Anyone the grantor designates to receive benefits either while the grantor is living or after the grantor dies.

Second level beneficiaries are: A person who receives benefits **ONLY** if the first level beneficiary is no longer living when the grantor dies. Example: Grantor states his spouse will receive benefits. If she is not living when he dies, then their two children receive benefits. The wife is a first level beneficiary and the two children are second level beneficiaries.

Tax ID Type:

- **Social security number:** The trust can use a grantor's social security number if the grantor is serving as trustee of the trust and as long as the grantor is not receiving other program benefits as an individual. A trust owned by a husband and wife who file a joint income tax return is treated as a trust owned by one person.
- **Employer Identification Number (EIN):** The trust must use an EIN if the above circumstances regarding a social security number are not met. An EIN may be obtained from www.irs.gov.

Eligibility Forms:

- **AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (dated 10-30-14):**
 - **If an EIN is used:**
 - ❖ One form for the trust
 - ❖ One form for each affiliate with farming interests (see AD-1026 Affiliate instructions below)
 - **If a social security number is used:**
 - ❖ NO form for the trust
 - ❖ One form for each grantor of the trust
 - ❖ One form for each first level beneficiary of the trust
 - ❖ One form for each affiliate of the grantor(s) and first level beneficiaries with farming interests (see AD-1026 Affiliate instructions below)
- **CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information**
 - No CCC-941 is needed for the trust
 - 1 CCC-941 for each member
- **CCC-901, Members Information**

Instructions for the AD-1026

Blocks 1-3 – Enter the name, tax ID, and enter the program year as the crop year.

Block 4 – **Affiliates:** All members of the trust are considered affiliates; however, they only need to be listed in block 4 and file their own an AD-1026 if they have separate farming interests. Affiliates are

considered as having farming interests if **his or her tax ID number is listed** as owner, operator, tenant or sharecropper on any farm or undeveloped land.

Note: Exception: A **spouse** or **minor child** of the person requesting benefits is not required to file an AD-1026 if both of the following applies:

- ❖ The person does not have a farming interest as an individual or member of a joint operation separate from the person requesting benefits and,
- ❖ The person does not receive program benefits under his or her own tax ID number.

Block 5 – Check one of these boxes if the statement applies and continue to Part D and sign and date; otherwise continue to Part B.

Instructions for the CCC-941

Block 1 – Enter the county where land is located.

Block 2 – Enter full legal name and address. This must exactly match what is on file with the Internal Revenue Service (IRS).

Block 3 – Enter the nine-digit tax ID number.

Block 4 – Enter the Program Year (fiscal year).

Block 5 – Check appropriate box.

Block 6 – Sign as indicated in **Signature Authority** below.

Block 7 – Enter title/relationship to the organization.

Block 8 – Enter the date.

Instructions for the CCC-901

Blocks 1 & 2 – Enter the county and state where the land is located.

Block 3 – Enter the year for which you are applying.

Part A – Enter full legal name and full tax ID number.

- #1-5 – Enter names, tax ID numbers, addresses, percent shares, and whether or not members have signature authority for the trust for each member.

Part B, C, D – List Embedded Entities, if any. Embedded Entities are any legal business type other than an Individual.

- Example – If a member in Part A is “John Doe Revocable Trust,” they are considered an Embedded Entity so their information would be entered in Part B. If a member of the “John Doe Revocable Trust” is an embedded entity, they would enter their information in Part C, and so on.

Part E – Enter the required information for any member that is a minor.

Part F – Certification

- #1 – Sign as indicated in **Signature Authority** below.
- #2 – Enter title.
- #3 – Date.

Signature Authority: The signature on any NRCS/FSA document for an individual authorized to sign for the trust shall consist of both of the following:

- An indicator, such as “by” or “for,” illustrating that the individual is signing in a representative capacity.
- And one of the following:
 - Individual’s name, and title and/or name of the trust.