

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Common Management and
Operating Provisions
1-CM (Revision 3)**

Amendment 65

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Paragraph 707 has been amended to clarify when persons signing in a representative capacity must furnish evidence of authority.

Page Control Chart		
TC	Text	Exhibit
	25-59, 25-60 25-63 through 25-66	

Section 3 General Rules of Authority

707 Policy on Evidence of Authority and Signature Limitations

A General Rule for Signature Authority

Nothing in this handbook, or 7 CFR Part 707, gives persons additional time in which to file program applications, contracts, or other documents. Rather, this handbook discusses what evidence is required before FSA will act on properly filed program instruments.

*--These provisions discuss persons who are signing in a representative capacity. Unless the specific CCC or FSA program otherwise requires evidence of authority of persons signing in a representative capacity, other than FSA-211, evidence of authority **must** be on file **before** FSA will process any benefit or payment application for the person or legal entity involving the representative signature. In this context, **benefit** or **payment** can include, but is **not** limited to, NAP Application for Coverage, ARCPLC contract enrollment for a share greater than zero in either the contract or FSA-578, payment applications, loan applications, MPP applications, LDP applications, CRP contracts, etc. Evidence of authority is **not** required **unless**:

- a benefit or payment is being requested for the person or legal entity for which the representative is entering a signature on the form
- FSA questions the representative's authority to sign for whatever reason.

None of these provisions apply to persons signing under FSA-211. Follow paragraph 730.--*

County Offices must verify signature authority for all entities and joint operations requesting benefits by reviewing checked box or boxes on forms:

- CCC-902E, Part C, Column F
- CCC-901, Part A, Column 5, as applicable.

Notes: Evidence of signature authority for individuals including spouses and minors has **not** been revised. Procedure about evidence of authority of persons seeking payments on behalf of deceased, disappeared, or persons declared incompetent appears in paragraph 779.

The policy at paragraph 779 does **not** apply to:

- representatives of cotton, rice, or peanut buyers (1-CM, paragraph 731)
- FSFL Program
- TTPP
- MILC (**producers participating in MILC only**)
- FLP's.

Note: County Office employees must follow signature authority requirements in applicable handbooks for these programs.

707 Policy on Evidence of Authority and Signature Limitations (Continued)

A General Rule for Signature Authority (Continued)

If the legitimacy of documents provided as evidence of authority to sign is questioned, FSA will seek review from OGC. County Offices will:

- forward copies of the documents to the State Office for review
- refrain from issuing payments or further actions pending response from either the State Office or, if the State Office deems it necessary, the Regional Attorney.

The following are examples of properly signed CCC-902E's for entities and joint operations.

- **Limited Liability Company (J&J LLC)**

PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)					
1. Members - List all members/shareholders of the entity identified in Part A of this form:					
A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)	E. Family Member Relationship (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
John A. Member	1111	50	\$	Brother	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Jane A. Member	2222	50	\$	Sister	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIP, A SIGNATURE IS REQUIRED FOR EACH MEMBER)		
<p>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form I acknowledge that:</p> <ul style="list-style-type: none"> • all supporting documentation has been submitted as required • I have reviewed and understand all definitions and requirements on Page 6 of this form. • all information will be considered in effect continuously unless changes or revisions are submitted. • it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A. • evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA. • it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder. 		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
John A. Member	Member, J&J LLC	04-02-2009

707 Policy on Evidence of Authority and Signature Limitations (Continued)

A General Rule for Signature Authority (Continued)

--When a representative has signed a document on behalf of a person or legal entity requesting a benefit or payment as discussed in this subparagraph, County Offices will verify that signature authority is on file in the County Office before approving, acting on, or authorizing benefits or payments specifically requested for the person or legal entity by the representative. See subparagraph C for special rules for spouses. See paragraph 779 for-- cases involving deceased persons or persons disappeared or declared incompetent.

Notes: Evidence of signature authority related to non-FSA/CCC forms and documents, such as cash leases, is not required and does not have to be on file.

Before April 2, 2009, the following types of evidence for authorized signature may be acceptable, if dated on or before the signature date. COC may require any of the following for authentication:

- presentation of the original document, such as corporate charter, bylaws, court orders of appointment, trust agreement, last will and testament, articles of partnership, articles of organization, operating agreements
- FSA-211

Note: In cases where a principal has died, FSA-211 is no longer valid for attorney signatures following the principal's death.

- notarization
- an affixed official seal.

Example: Documentation, such as corporate charter, indicating who is authorized to sign for a corporation must be on file in the County Office before County Office may accept a signature on any program document for the corporation.

County Offices finding prior actions on payment issuances on file shall **not** be deemed as evidence of authority to sign.

--County Offices will consider a signature of an individual acting in a representative-- capacity to be valid, even though there was not a proper signature authority on file in the County Office at the time the individual signed a contract, application, or other document in a representative capacity, if **all** of the following apply:

- the program contract, application, or other document was signed by the participant, applicant, or authorized representative according to the contract or program's rules
- the individual signing the contract, application, or other document did not knowingly or willfully falsify evidence of signature authority or the signature

707 Policy on Evidence of Authority and Signature Limitations (Continued)

A General Rule for Signature Authority (Continued)

- *--if the contract, application, or document is requesting a benefit or payment according to this subparagraph and documentation of signature authority, considered acceptable--* according to this handbook, is submitted to the County Office indicating the individual had authority to sign the contract, application, or other document in a representative capacity on the day that signature was affixed on the contract, application, or other document.

--The County Office may require any person who is signing in a representative capacity and who claims to have signature authority to:--

- provide ID
- file a signature with the County Office
- submit documents supporting the claim of authority.

*--**Note:** County Office has authority to exercise discretion on when to require evidence.--*

B Maintaining Documentation Before April 2, 2009

The entire document presented does **not** have to be maintained. However, all applicable pages that identify the entity, pertinent authority, and any limitations, etc, **must** be maintained.

Example: If the trust is represented to be an irrevocable trust, procedure in 1-PL requires review of the trust agreement to determine if it contains a provision that would result in the trust being considered a revocable trust for payment limitation purposes. See 1-PL, subparagraph 362 B.

707 Policy on Evidence of Authority and Signature Limitations (Continued)

C Signature Authority for Spouses

Spouses:

- may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, effective August 1, 1992, unless written notification denying a spouse this authority has been provided to the County Office
- shall not sign FSA-211 on behalf of the other
- shall not sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

Exception: Spouses may sign on behalf of each other for a husband/wife joint venture with a permanent tax ID number and sole proprietorship, unless written notification denying a spouse authority has been provided to the County Office (subparagraph 710 F or 712 A, as applicable).

Notes: See paragraphs 709 through 711.

See applicable directives for acceptable spouse signatures for FLP loans.

- must have a power of attorney on file or sign personally for claim settlements, such as promissory notes.

Important: A spouse's authority to sign documents on behalf of the other spouse does **not**:

- override the FOIA/PA requirements of 5 U.S.C. 552 and 552A
- entitle a spouse to review or receive Agency records of the other spouse.

Note: See 2-INFO for more information about FOIA/PA requirements and Agency records.

County Office shall not provide Agency records of a producer to that producer's spouse unless written authority to provide such records has been provided to the County Office.

Example: Joe and Jane Black, husband and wife, may sign documents on behalf of each other because no written notification denying such authority has been provided to the County Office. Jane Black has requested a copy of Joe Black's Agency records. County Office shall not provide the records to Jane Black unless Joe Black provides the County Office written authority to release the records to Jane Black.

707 Policy on Evidence of Authority and Signature Limitations (Continued)

D County Office Employees

County Office and Federal employees:

- *--must **not** act as a power of attorney in the County Office where employed on behalf of any person, including family members
- must **not** sign on behalf of a spouse in the County Office where employed--*
- may in unusual situations such as a hardship case, make a written request to SED for waiver

*--**Notes:** If there is not a written waiver is on file, employees **cannot** act on behalf of participants.

COC and STC **cannot** act on behalf of participants.--*

- are not limited from acting in a fiduciary capacity, such as:
 - guardian
 - administrator
 - conservator
 - executor
 - trustee
 - receiver.

Note: This policy does not apply to COC or CMC members. It does apply for former farm loan employees.

E Limited Waiver of Signature Authority

Limited waiver of signature authority requirements may be granted to immediate family members (paragraph 729.5).