

INTERIM PROCEDURES

MANAGEMENT CONTROL AND REVIEW OF FIELD OFFICE COLLECTION ACTIVITIES

This guide defines the management control requirements for the handling and custody of collections. All employees who receive collections are responsible for complying with control requirements outlined in this guide. Instructions for receiving and processing collections are contained in RD Instruction 1951-B, Collections; HB-1-3550, Direct Single Family Housing Loans and Grants Field Office Handbook; RD Instructions 1951-K, Predetermined Amortization Schedule System (PASS) Account Servicing; AMAS On-line Payment Processing Manual; and related Forms Manual Inserts (FMIs).

This guide will be used to document the results of annual oversight reviews of Program or Area office collection activities, which must be completed by December 31 of each year, and Program or Area office supervisor monthly reviews of collection activities.

INSTRUCTIONS FOR PERFORMING REVIEWS

- The monthly review will be performed by the Program or Area office supervisor. The annual review will be performed by the supervisor or designee.
- The reviewer will select a representative judgment sample of collection activity to review (at least 2 business days of activity per month since the last month of the previous review).
- The reviewer will complete the guide indicating compliance or noncompliance. Noncompliance responses must be fully explained in the “comments” section at the end of this guide and have a recommended corrective action.
- Upon completing the review, the reviewer will sign and date the guide and distribute a copy of the completed guide as follows:
 - ◆ For monthly office supervisor reviews, the completed guide will be filed in the office operational files.
 - ◆ For annual oversight reviews, a copy of the completed guide will be sent to Jillene Davis, Management control-Civil Rights Director. A copy of the annual oversight reviews for SFH will be sent to the RDMC, RDMC will copy SFH Program Director. Reviews of MFH, RUS, and RBS collections handled at the Area Office level will be sent to the respective Program Director.

Requirement/Review Criteria

	YES	NO	N/A
<u>Safeguarding Collections:</u>			
1. Form RD 451-1, Acknowledgment of Cash Payment, is prepared for all cash receipts for all programs and is prepared in numerical sequence.			
2. Cash is converted to draft, cashier's check or money order.			
3. Collections are generally paid by check or money order and not by cash.			

	YES	NO	N/A
4. All non-AMAS collections are posted to Form RD 1951-49, Register of Collections, and all AMAS collections are entered to the AMAS Call Date Recap Detail Report data entry screen immediately upon receipt.			
5. Cash, checks, and money orders are stored in a locked cabinet or locked drawer during the day and in a locked fireproof safe at night.			
6. Miscellaneous collections are mailed to the designated lockbox each day.			
7. Employees processing collections via the AMAS Cash (AMAS-CSH) system are required to have payment certification. (Reference RD Instruction 1951-K)			
8. Form RD 1951-64, On-line Payment Certification Monitoring Log; is used to document AMAS collection processing for each monitoring activity. (Reference RD Instruction 1951-K)			
<u>Processing Collections:</u>			
9. Collection documents (Forms RD 1951-49, 451-1, 451-2, Schedule of Remittances; 370-46B, Payment Coupon; 3550-17, Funds Transmittal Report; 3550-26 and 3550-27, Substitute Payment Coupon; AMAS Call Date Recap Detail Report, data entry screen; etc.) are prepared correctly and in accordance with the FMLs.			
10. Wholesale lockbox collections are balanced daily by preparing Form RD 1951-60, Field Office Remittance Reconciliation Report.			
11. The Form RD 1951-49 and/or AMAS Call Date Recap Detail Report data entry screen is/are balanced daily to Forms RD 370-46B, 1951-60, 3550-17, 3550-26, 3550-27, and farm credit related collection items transmitted to the local Farm Services Agency office for processing.			
12. AMAS Cash payment errors that prevent balancing and releasing of the payment block must be corrected within 5 workdays. (Reference AMAS On-line Payment Processing Manual)			
13. Collections are sent to the correct location/designated lockbox address for the applicable collection method (wholesale lockbox, direct payment lockbox, RHS wholesale or retail lockboxes, etc.).			
14. For collections received and submitted by field offices, borrower on-line account history and/or payment status screens are periodically checked (at least 2 business days per month) to confirm that collections are updated to the automated accounting system for the correct amount and date of credit.			
15. Administrative collections (Freedom of Information Fees) are sent with uForm RD 104-1, Public Information Transmittal and/or Receipt, and/or transmittal explaining disposition of funds to the lockbox address listed in RD Instruction 2018-F, Availability of Information, subsection 2018.255 (e) (3).			
16. Cash collections over \$10,000 are reported to the Internal Revenue Service in accordance with RD Instruction 1992-E, Reporting Property Transactions to the Internal Revenue Service, subsection 1992.202.			

YES NO N/A

<u>Separation of Duties</u>			
17. To the extent practical, at least two employees will be involved in receiving and processing collections. One employee receives collections and prepares the cash receipts and collection logs (i.e., Form RD 451-1, Form RD 1951-49, or AMAS Call Date Recap Detail Report data entry screens); a second employee prepares the collection data for payment application; i.e., Form RD-451-2; 3550-17; 3550-26; 3550-27; and 370-46B, and the first employee who received and recorded the collection (or third person) balances the daily collection items.			
18. The daily collection log (Form RD 1951-49 or AMAS Call Date Recap Detail Report data entry screen) is reviewed and initialed by an employee other than the employer who prepared the Form RD 1951-49 or entered the collection in the AMAS Cash System.			
19. The above duties are rotated at least semiannually.			
20. The Program or Area office supervisor reviews collection activities monthly and documents the results of the review on this interim review guide.			
<u>File Maintenance:</u>			
21. Operational files are maintained in accordance with RD Instructions 2033-A, Records Management in State, District, and County Offices; and 1951-B.			
22. Forms RD 451-1 are stored in a locked fireproof cabinet.			
23. The numeric sequence of numbers listed on Form RD 2024-6, Notice of Transmittal and Receipt, used to transmit new supplies of Form RD 451-1 booklets to field offices, agree with the sequential numbers on Form RD 451-1s.			
24. Copy of Form RD 2024-6 acknowledging cash receipt books are filed in the operational file.			

Address of Office Location Being Reviewed: _____

Month(s) Reviewed: _____

Signature of Reviewer: _____

Date of Review: _____

Comments: _____
