



**United States Department of Agriculture  
Rural Development  
Texas State Office**

**USDA Rural Development Texas AN No. 611 (1951-B)**

**JUN 17 2009**

**TO:** All Offices

**FROM:** Scooter Broquette  
Acting State Director

**SUBJECT:** State Policy on Collection Activities and Management Control Requirements

**PURPOSE/INTENDED OUTCOME:** To provide concise direction on handling documentation pertaining to collections for USDA Rural Development programs, and on maintenance of collection files.

**COMPARISON WITH PREVIOUS AN:** This AN replaces AN No. 605 which expired May 31, 2009.

**IMPLEMENTATION RESPONSIBILITIES:** USDA Rural Development employees authorized to handle collections will do so in accordance with RD Instruction 1951-B and instructions contained in this AN.

**FILES TO BE MAINTAINED:** Area, Sub-Area, and State Office sections will maintain monthly collection files. The four-position monthly collections files are set up and contain copies of the following:

Position 1 (items prepared by employee #1 & signed by employees #1 & #2 daily)	<ul style="list-style-type: none"> <li>Form RD 1951-49, Register of Collections</li> <li>Calculator tape with preparer's initials totaling all collections (listed on Form RD 1951-49)</li> </ul>	Total \$ should balance with Position 3
Position 2	<ul style="list-style-type: none"> <li>Form RD 1951-44, prepared by the State Office or Area Specialist at least monthly, and prepared at least yearly by the Program Director or Area Director</li> </ul>	

**EXPIRATION DATE:**  
May 31, 2010

**FILING INSTRUCTIONS:**  
Following Instruction 1951-B

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<p>Position 3 (items prepared &amp; signed by employee #2 daily)</p>	<ul style="list-style-type: none"> <li>• Form RD 1951-60, Field Office Remittance Reconciliation Report (FORRR). Please refer to the Forms Manual Insert (FMI) for attachments to Form RD 1951-60, i.e. Form RD 451-2, Form RD 1940-10, etc.</li> <li>• Form RD 3550-17, Funds Transmittal Report</li> <li>• Form RD 3550-27, Substitute Payment Coupon</li> <li>• Other transmittal documents</li> <li>• Calculator tape with preparer's initials totaling all amounts on all collection documents</li> <li>• Copies of all checks, money orders, etc. date stamped when received</li> </ul>	<p>Total \$ should balance with Position 1</p>
<p>Position 4</p>	<ul style="list-style-type: none"> <li>• Log of Checks stored in office safe</li> <li>• Documentation of problems or clarifications, such as calls or correspondence, including attachments</li> </ul>	

All payments received in the office will be recorded and totaled daily on the Form RD 1951-49, Register of Collections. Both employees (employee #1 and employee #2) involved with collection activities are required to sign Form RD 1951-49. Please make an annotation on Form RD 1951-49 in the "remarks" column as to which form is being used to remit the payment/collection and to what address the collection is being mailed. All payments should also be recorded on the appropriate remittance/transmittal/coupon forms. All payments should be totaled, and the total of the remittances/transmittals/coupons should equal the total of Form RD 1951-49. Therefore, forms in positions 1 and 3 should balance daily. The dates on forms in positions 1 and 3 should correspond in filing order. Copies of checks and/or money orders should be date stamped to record the date they are received.

**SEPARATION OF DUTIES:** All offices must ensure that at least two individuals are involved in the collecting and processing of payments; one employee processes the payments and one employee processes the remittance/transmittal/coupon forms. These duties should be rotated at least semi-annually.

**MANAGEMENT CONTROL PROCEDURES FOR COLLECTIONS:** Spot checks of collection activities by the Area Director and/or Program Director should be made frequently.

Form RD 1951-44, Management Control and Review of Field Office Collection Activities, will be utilized to document the review of collection activities. The Area Director will assign an Area Specialist in each office to perform reviews of collections when available, at least monthly. The Program Director will assign a specialist to perform reviews of collections when available, at least monthly. The Area Specialist or State Office Specialist should initial Form RD 1951-49 when performing daily reviews.

**INSTRUCTIONS FOR PERFORMING REVIEWS:** The reviews of collection activities will be performed by the designated Area Specialist or State Office Specialist at least monthly. The annual review will be performed by the Area Director or Program Director.

The reviewer will complete Form RD 1951-44 indicating compliance or noncompliance. Noncompliance responses must be fully explained in the "comments" section and have a recommended corrective action with follow-up due date. Area Directors and Program Directors are responsible for following up to make certain corrective actions have been implemented and that offices are in compliance.

Upon completing the review, the reviewer will sign and date Form RD 1951-44 and distribute copies as follows:

For monthly area, sub-area and state office reviews, Form RD 1951-44 will be filed in operational file 1951-B, with a copy to the Area Director or Program Director. (File in Position 2.)

For annual oversight reviews of area and sub-area offices, a copy of Form 1951-44 will be sent to the Management Control Officer and to the area or sub-area office by December 31 each year.

For annual oversight reviews of state office collections, a copy of Form RD 1951-44 will be sent to the Management Control Officer and to the reviewed section by December 31 of each year.

If you have any questions, please call Donna Freytag at 254-742-9704.