



UNITED STATES
DEPARTMENT OF
AGRICULTURE

RURAL
DEVELOPMENT

101 SOUTH MAIN STREET
SUITE 102, FEDERAL BUILDING
TEMPLE, TEXAS 76501

Voice: (254) 742-9700
Fax: (254) 742-9709
TDD: (254) 742-9712

Rural Development Texas AN No 513 (1951)

April 29, 1999

SUBJECT: State Policy on Handling Collection Activities

TO: All Offices
Rural Development, Texas

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

COMPARISON WITH PREVIOUS AN: This AN replaces AN 503 which expired February 1999.

IMPLEMENTATION RESPONSIBILITIES: Rural Development employees authorized to handle collections will do so in accordance with Instructions 1951-B, 1951-K, the draft wholesale lockbox process instruction dated November 6, 1997, and instructions contained in this AN.

Files to be Maintained

Each local office will maintain a four position file for each month's collections. This will be based on a fiscal year. The file will be labeled 1951-Collections, (Month), 19___. The file will contain copies of the following:

1. Printout of the AMAS -Call Date Recap Detail Report for Multi-Family Housing (MFH)
2. Collection (in lieu of Form RD 1951-55)
3. Copy of the MFH Automated Collection Log
4. Form RD 1951-49 Register of Collections for Non-AMAS collections
5. Form RD 1951-60 Field Office Remittance Reconciliation Report (FORRR)
6. Adding machine tape of all the check and/or money order amounts

EXPIRATION DATE:
March 31, 2000

FILING INSTRUCTIONS:
Following FmHA Instruction 1951-B

Rural Development is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D. C.

7. Automated Multi-Housing Accounting System (AMAS) - Batch Entry System Menu (BESM) screen print and a printout of the M1 or M2 Type Screens associated with the BESM.

Form RD 1944-9 MFH Certification of Payment Transmittal or the RD 1944-53 MFH Cancellation of Disbursement and/or Obligation will be included **only when system entry is not possible.**

Supporting documentation for each days collection activities will be stapled together, however you may separate the documentation by group loans and Single Family Housing (SFH) program. Group loan documentation will be filed in position three and collections for the SFH program be filed in position one of the file.

All payments received in the local office will be recorded. AMAS payments will be posted to the MFH Automated Collection Log and then recorded into AMAS through the Call Date Recap. All other payments received will be recorded on the RD 1951-49, Register of Collections. Non-AMAS collections include Rural Utilities Service (RUS) payments which are sent directly to the Direct Pay Lockbox and not to the Wholesale Lockbox. The total of the RUS collections **will not** be included in the FORRR. Non-AMAS collections also include payments which are submitted to the Wholesale Lockbox (WLB), Community Direct Pay Lockbox (DPLB), Centralized Servicing Center (CSC) or Farm Service Agency (FSA). Recording information on the RD 1951-49 will include the amount of the check, name of depositor with case and loan numbers, and date of credit. An annotation is to be made as to where the collection is being remitted to such as the WLB, DPLB, CSC or FSA.

SFH collections are handled in accordance with the Rural Housing Service manual HB-1-3550. When a SFH payment is received in the field office, it will be mailed with the borrowers' billing statement (if applicable) or a substitute coupon to the Cash Management Section, P.O. Box 66831, St. Louis, Missouri 63166. Refer to the memorandum dated May 19, 1997 from the CSC for more detailed information. **SFH collections remitted by the local office will be recorded on the RD 1951-49, Register of Collections.**

We recommend the field office staff encourage borrowers with RUS loans to utilize the PreAuthorized Debit (PAD) payment process. Borrowers with Community Facility loans are also eligible to utilize the PAD system.

Detailed instructions on collection processing is found in the attachment to the State Office CASH-LINK Phase Out memorandum dated November 7, 1997.

SEPARATION OF DUTIES

Offices with three or more employees must ensure that at least two individuals are involved in the collecting and processing of payments; one to process the payments and one to review the accounting data. These duties should be rotated either monthly, quarterly or semi-annually to protect the integrity of the field office staff.

Separation of duties should be practiced within each Local Service Center. For AMAS collections, this will consist of one employee to verify the projects worksheets with the tenant data and prepare the collection log. A second employee will review and initial the front of the automated collection form . When a second employee is unavailable, a post review will be performed the first working day another employee is available. Also each office should have at least two certified employees who can process the MFH payments into AMAS. This will insure all payments are properly posted and processed in the case of employee absence. All payments must be entered within two days of receipt, except for payments received on the last day of the work week. These payments may be entered up to two work days after receipt.

For non-AMAS payments, separation of duties will consist of two employees involved in collecting borrower payments - one to control the payments and one to control the data. Spot checks of collections activities by RDM will be made periodically. RDMs will review collection activities daily or when available to do so.

Any questions regarding AMAS collections should be directed to Gayle Ledyard, CF/MFH Loan Specialist, or for RUS programs contact Margie Cude, RUS Specialist, and for SFH contact Scooter Brochette, SFH Specialist.

/s/ Steven A. Carriker

STEVEN A. CARRIKER
State Director