United States Department of Agriculture
Rural Development
Texas State Office

USDA Rural Development Texas AN No. 581 (1951-B)

June 9, 2004

TO: All Offices
USDA Rural Development, Texas

FROM: Bryan Daniel
State Director
USDA Rural Development, Temple

SUBJECT: State Policy on Collection Activities and Management Control Requirements

PURPOSE/INTENDED OUTCOME: To establish 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. 576 which expired May 31, 2004.

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: Monthly collection files (non-AMAS) should be maintained. The four-position monthly collections files should be set up and contain copies of the following:

Position 1 (items prepared by employee #1 daily)	• Form RD 1951-49, Register of Collections • Calculator tape with preparer's initials totaling all collections (listed on Form RD 1951-49)	Total $ should balance with Position 3
Position 2	• Form RD 1951-44, prepared by the Rural Development Manager at least monthly, and prepared at least yearly by the Program Director or Area Director	

EXPIRATION DATE:
May 31, 2005

FILING INSTRUCTIONS:
Following Instruction 1951-B

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Position 3 (items prepared by employee #2 daily)	• 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 370-46A, Form RD 451-2, Form RD 1940-10, etc. • Form RD 3550-17, Funds Transmittal Report • Form RD 3550-26 and 3550-27, Substitute Payment Coupon • Other transmittal documents • Calculator tape with preparer's initials totaling all amounts on all collection documents • Copies of all checks, money orders, etc.	Total $ should balance with Position 1
Position 4	• Documentation of problems or clarifications, such as calls or correspondence, including attachments	

All payments received in the local office will be recorded and totaled daily on the Form RD 1951-49, Register of Collections. 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.

All collections received in the local office for Multi-Family Housing (MFH) should be forwarded to the MFH Payment Center in the State Office for processing through AMAS-CASH using Form RD TX 1951-1. As with all collections, please record the payment on Form RD 1951-49. Send the payment to the MFH Payment Center via Fed EX or any method that allows for tracking.

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 Rural Development Manager (RDM) in each office will perform reviews of collections when available, at least monthly. The Program Director will assign a loan specialist to perform reviews of collections when available, at least monthly. The RDM or State Office loan specialist should initial Form RD 1951-49 when performing daily reviews.

The Area Director/Program Director must perform an annual review of collection activities each December using Form RD 1951-44. A copy must be submitted to the Management Control Officer by December 31 of each year.

INSTRUCTIONS FOR PERFORMING REVIEWS: The reviews of collection activities will be performed by the RDM or State Office loan 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.

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

> For monthly local 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 local office annual oversight reviews, a copy of Form 1951-44 will be sent to the Management Control Officer and to the local office.
>
> 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.

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