

For: State and County Offices

**Reviewing AD-672's and FSA-875's**

Approved by: Acting Deputy Administrator, Management



**1 Overview**

**A**

**Background**

MSD has completed a review of all AD-672's and FSA-875's for State and County Offices. The review determined that many State and County Offices have not been re-negotiating or renewing AD-672's and FSA-875's each FY.

**B**

**Purpose**

This notice reminds State and County Offices to review AD-672's and FSA-875's, on a yearly basis to ensure that they continue to be accurate, and that copies are provided to KCMO.

<p><b>Disposal Date</b></p> <p>August 1, 1999</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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**Notice AS-1990**

**2 Reviewing and Completing FSA-875's**

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**A**

**County Office  
Action**

State Offices shall request that County Offices review and complete FSA-875's according to this table.

<b>Step</b>	<b>Action</b>
1	Review all FSA-875's for accuracy.
2	Contact agencies that FSA-875 covers, and determine what services are being provided or received.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment etc. Provide or request supporting documentation to support all costs.
4	Prepare the new FSA-875 according to the example in 31-AS.
5	Request that other participating agencies sign FSA-875.
6	Submit FSA-875 to the State Office for approval.

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**B**

**State Office  
Action Once  
FSA-875 Has  
Been Received**

Once FSA-875 has been received, State Offices shall do the following.

<b>Step</b>	<b>Action</b>
1	Review all FSA-875's to ensure that all costs have been captured.
2	Obtain approval from SED.
3	Submit FSA-875 to KCMO for collection of payment.

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**Notice AS-1990**

**2 Reviewing and Completing FSA-875's (Continued)**

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**C**

**State Office  
Action**

State Offices shall follow the instructions in this table to review and complete FSA-875's.

<b>Step</b>	<b>Action</b>
1	Review all State Office lease agreements. This would include any leases regardless of whether FSA is providing or receiving the services.
2	Contact agencies that FSA-875 covers, and determine what services are being provided.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment, etc. Provide or request supporting documentation for all costs.
4	Prepare FSA-875 according to 30-AS. FSA-875 is issued for the duration of the lease.
5	Request that other participating agencies sign FSA-875.
6	Obtain State Office approval from SED.
7	Submit copy to KCMO for collection or payment.

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**D**

**KCMO Action**

KCMO shall do the following after receiving FSA-875.

<b>Step</b>	<b>Action</b>
1	Process FSA-875's.
2	Enter data into the CORE Accounting System.
3	Ensure that payments are made or received.

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**Notice AS-1990**

**3 Reviewing and Completing AD-672's**

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**A**

**State Office  
Action**

State Offices shall follow this table when entering into AD-672's with other agencies.

<b>Step</b>	<b>Action</b>
1	Review all AD-672's for accuracy.
2	Contact agencies that AD-672 covers, and determine what services are being provided or received.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment, etc. Provide or request supporting documentation for all costs.
4	Prepare AD-672 according to 30-AS.
5	Obtain State Office approval.
6	Request that other participating agencies sign AD-672.
7	Submit AD-672 to KCMO for collection or payment.

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**B**

**KCMO Action**

After receiving AD-672, KCMO shall:

- enter data into the CORE Accounting System
  - ensure that payments are made or received.
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**Notice AS-1990**

**4 Changes to AD-672**

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**A**

**Billing  
Frequency**

The billing frequency for all AD-672's has been changed to reduce the number of interagency funds transfers for shared office expenses. All USDA agencies are required to perform an annual transfer with a year-end adjustment for interagency funds transfers for shared office expenses. Agencies shall comply with the following dates.

<b>Action</b>	<b>Date Due to KCMO</b>	<b>Departmental Due Date</b>
Lead Agency sends out bills	March 15, 1999	March 31, 1999
Payments are to be received		May 14, 1999
Lead Agency to request adjustments	June 30, 1999	July 30, 1999
Payments of adjustments to be received		August 31, 1999

**Note:** All billing and collection functions will be handled by KCMO and NFC. These dates are provided so that State and County Offices are aware of the timing of these functions. For KCMO to timely send out billings and adjustments, they must receive current AD-672's by March 15 of each current fiscal year, and adjusted information by June 30 of each current fiscal year.

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**B**

**Questions**

Contact FMD at 703-305-1240 for questions on billing frequency.

Contact MSD, Resource Coordination Staff at 202-720-0203 for questions about AD-672's and FSA-875's.

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