

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 AD-672's and FSA-875's for State and County Offices. The review determined that many State and County Offices have not been renegotiating 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>Disposal Date</p> <p>June 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 Reviewing and Completing FSA-875's

**A
County Office
Action**

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

Step	Action
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 for all costs.
4	Prepare the new FSA-875 according to 31-AS.
5	Request that other participating agencies sign FSA-875.
6	Submit FSA-875 to the State Office for approval.

**B
State Office
Action After
FSA-875 Has
Been Received**

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

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

**C
State Office
Action**

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

Step	Action
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 other participating agencies to sign FSA-875.
6	Obtain State Office approval from SED.
7	Submit copy to KCMO for collection or payment.

**D
KCMO Action**

KCMO shall do the following after receiving FSA-875.

Step	Action
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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3 Reviewing and Completing AD-672's

A
State Office
Action

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

Step	Action
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 for agreements under \$50,000. For agreements that are \$50,000 and above , forward to Budget Division for approval, except for leases.
6	Request other participating agencies sign AD-672.
7	Submit AD-672 to KCMO for collection or payment.

B
KCMO Action

After receiving AD-672, KCMO shall do the following.

Step	Action
1	Enter data into the CORE Accounting System.
2	Ensure that payments are made or received.

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4 Changes to AD-672

A
Changes to AD-672 Procedures When FSA Is the Performing Agency The numbering system and billing frequency for AD-672's have been modified by the Department. The new numbering system for all offices is identified in this table.

Description	Entry	Explanation
<p style="text-align: center;">Agreement Number</p> <p>Example: 00-IA-03560000-006-FA040000-012</p> <p>Note: The requesting agency inserts FY, IA for interagency, an 8-character field identifying the organization (Wyoming State Office for this example), and a 3-character field for the agreement number. AD-672 is then sent to the performing agency, which inserts an 8-character field identifying its organization and a 3-character field for its agreement number.</p> <p>In this example, FSA is the performing agency, thus our NFC identifier “FA” is inserted as the first 2 characters of the performing agency’s organization field, followed by the State code, which in this example is Arizona. If FSA is the requesting agency, see subparagraph B.</p>	00	FY
	IA	Interagency (agreement between USDA agencies or agreements with agencies outside USDA)
	03560000 Requesting Agency	2-character alphanumeric code that NFC uses for the applicable requesting agency . 2-character alphanumeric code assigned by the requesting agency for its applicable organizational unit, level 1.
	006 Requesting Agency	3-character alphanumeric unique code assigned by the requesting agency.
	FA040000 Performing Agency	2-character alphanumeric code that NFC uses for the applicable performing agency . 2-character alphanumeric code assigned by the performing agency for its applicable organizational unit, level 1. Note: State Offices shall use the codes identified in Exhibit 1. The last 4 positions should be zero filled by FSA.
	012 Performing Agency	3-character alphanumeric unique code assigned by the performing agency.

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4 Changes to AD-672 (Continued)

B
Changes to AD-672 Procedures When FSA Is the Requesting Agency The numbering system and billing frequency for AD-672's has been modified by the Department. The new numbering system for all offices is identified in this table.

Description	Entry	Explanation
<p>Agreement Number</p> <p>Example: 00-IA-FA040000-012-03000000-006</p> <p>Note: The requesting Agency inserts FY, IA for interagency, an 8-character field identifying the organization and a 3-character field for the agreement number. AD-672 is then sent to the performing agency, which inserts an 8-character field identifying its organization and a 3-character field for its agreement number.</p> <p>In this example, FSA is the requesting agency, thus our NFC identifier "FA" is inserted as the first 2 characters of the requesting agency's organization field, followed by the State code, which in this example is Arizona. If FSA is the performing agency, see subparagraph A.</p>	00	FY
	IA	Interagency (agreement between USDA Agencies or agreements with Agencies outside USDA)
	FA040000 Requesting Agency	<p>2-character alphanumeric code that NFC uses for the applicable requesting agency. 2-character alphanumeric code assigned by the requesting agency for its applicable organizational unit, level 1.</p> <p>Note: State Offices shall use the codes identified in Exhibit 1. The last 4 positions should be zero filled by FSA.</p>
	012 Requesting Agency	3-character alphanumeric unique code assigned by the requesting agency.
	03000000 Performing Agency	<p>2-character alphanumeric code that NFC uses for the applicable performing agency. 2-character alphanumeric code assigned by the performing agency for its applicable organizational unit, level 1.</p> <p>Note: State Offices shall use the codes identified in Exhibit 1. The last 4 positions should be zero filled by FSA.</p>
006 Performing Agency	3-character alphanumeric unique code assigned by the performing agency.	

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4 Changes to AD-672's and FSA 875's (Continued)

C

**Billing
Frequency**

The billing frequency for all AD-672's and FSA 875'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.

Action	Date Due to KCMO	Departmental Due Date
Lead Agency sends out bills	December 1, 1999	December 15, 1999
Payments are to be received		March 15, 2000
Lead Agency to request adjustments	June 30, 2000	July 31, 2000
Payments of adjustments to be received		August 31, 2000

Note: All billing and collection functions will be handled by KCMO and NFC. These dates are being shown so that State and County Offices are aware of the timing of these functions. For KCMO to timely send out our billings and adjustments, they need to have the current AD-672's and FSA-875's by December 1 of each current fiscal year, and adjusted information by June 30 of each current fiscal year. Adjustments should be submitted to KCMO by memo giving details including actual charges, estimated amount, and net difference.

D

Questions

Contact Norma Anderson, KCMO, FAD, AEARB at 816-926-1958 for questions on billing frequency.

Contact MSD, Resource Coordination Staff, at 202-720-3407 for questions about AD-672's and FSA-875's.

State Codes for FY 1999 672's

State	Area	State Code
Alabama	Southeast	01
Alaska	Northwest	02
Arizona	Southwest	03
Arkansas	Southeast	04
California	Southwest	05
Colorado	Southwest	08
Connecticut	Northeast	07
Delaware	Northeast	09
Florida	Southeast	12
Georgia	Southeast	13
Hawaii	Southwest	15
Idaho	Northwest	16
Illinois	Midwest	17
Indiana	Midwest	18
Iowa	Midwest	19
Kansas	Southwest	20
Kentucky	Southeast	21
Louisiana	Southeast	22
Maine	Northeast	23
Maryland	Northeast	24
Massachusetts	Northeast	25
Michigan	Midwest	26
Minnesota	Midwest	27
Mississippi	Southeast	28
Missouri	Midwest	29
Montana	Northeast	30

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State Codes for FY 1999 672's (Continued)

State	Area	State Code
Nebraska	Northwest	31
Nevada	Southwest	32
New Hampshire	Northeast	33
New Jersey	Northeast	34
New Mexico	Southwest	35
New York	Northeast	36
North Carolina	Southeast	37
North Dakota	Northwest	38
Ohio	Midwest	39
Oklahoma	Southwest	40
Oregon	Northwest	41
Pennsylvania	Northeast	42
Puerto Rico	Southeast	43
Rhode Island	Northeast	44
South Carolina	Southeast	45
South Dakota	Northwest	46
Tennessee	Southeast	47
Texas	Southwest	48
Utah	Southwest	49
Vermont (Virgin Islands)	Northeast	50
Virginia	Southeast	51
Washington	Northwest	53
West Virginia	Northeast	54
Wisconsin	Midwest	55
Wyoming	Northwest	56