

For: State and County Offices

Reviewing AD-672's and FSA-875's Each FY

Approved by: Deputy Administrator, Management



1 Overview

A

Background

State and County Offices shall renegotiate or renew AD-672's and FSA-875's each FY.

A September 1997 National level Memorandum of Understanding (MOU) directed **all** collocated offices to consolidate and aggregate their local telephone service, Federal Telecommunications System (FTS) 2000/2001 service, and frame relay costs for both local and long distance service. The MOU **mandated** that FSA, NRCS, and Rural Development enter into reimbursement agreements for FTS2000 and local charges at the National and Field Office levels.

B

Purpose

This notice informs State and County Offices that:

- AD-672's and FSA-875's shall be reviewed and renegotiated at the beginning of each FY
- a separate AD-672 or FSA-875 shall be negotiated for telecommunication costs at the beginning of each FY and submitted to KCFO

Continued on the next page

Disposal Date October 1, 2002	Distribution State Offices; State Offices relay to County Offices
---	---

Notice AS-2034

1 Overview (Continued)

B

Purpose (Continued)

- FFAS-875-2 shall be completed and submitted with the telecommunication costs AD-672/ FSA-875 that is submitted annually

Note: If costs change during FY, State and County Offices shall renegotiate AD-672's or FSA-875's with the Agency for which the service is being provided to or received from, to be accurate, and provide copies to KCFO, Financial Accounting Division (FAD), Administrative Accounting Operations Branch (AAOB).

- State Offices are required to submit copies of AD-672's and FSA-875's with supporting documentation to KCFO so that billing or payments can be made timely.
-

2 Reviewing and Completing AD-672's and FSA-875's When FSA is Lead Agency

A

County Office Action

State Offices shall request that County Offices do the following when FSA is the lead agency.

Step	Action
1	Review all FSA-875's .
2	Contact agencies that FSA-875 is negotiated with, and determine what services are being provided by FSA.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment etc. Provide supporting documentation for all costs.
4	When entering into agreements with other agencies for rental of County Office space and common services, prepare 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.

Continued on the next page

Notice AS-2034

2 Reviewing and Completing FSA-875's and AD-672's When FSA is Lead Agency (Continued)

B

**State Office
Action Once
FSA-875 Has
Been Received
From County
Offices**

Once 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	Request that other participating agencies sign FSA-875.
4	For agencies that require referencing, eg. Rural Development, request a copy of the Miscellaneous Obligation (MO) document.
5	Submit FSA-875 along with a copy of the paying agency's MO document, if applicable, to KCFO, FAD, AAOB for billing and payment collection.

C

**State Office
Action**

State Offices shall do the following when FSA is the lead agency.

Step	Action
1	Review all State Office agreements.
2	Contact agencies that FSA-875 or AD-672 is negotiated with, and determine what services are being provided by FSA.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment, etc. Provide supporting documentation for all costs.
4	Prepare FSA-875 according to 30-AS, or AD-672 according to 90-FI, and 3-BU.
5	Other participating agencies shall sign FSA-875 or AD-672.
6	Obtain State Office approval from SED.
7	For agencies that require referencing, eg. Rural Development, request a copy of MO document.
8	Submit FSA-875 or AD-672 along with a copy of the paying agency's MO document, if applicable, to KCFO, FAD, AAOB for billing and payment collection.

Continued on the next page

Notice AS-2034

2 Reviewing and Completing FSA-875's and AD-672's When FSA is Lead Agency (Continued)

D

KCFO Action

KCFO shall do the following when FSA is the lead agency.

Step	Action
1	Review FSA-875's to ensure completeness.
2	Prepare AD-673 from information provided on FSA-875 or AD-672.
3	Enter data into FFIS Accounting System.
4	Mail copy of AD-673 to billed agency and FSA State Office for information only.
5	Ensure that payments are received. For inter-agency agreements, collections will be made through the Intra-governmental Payment and Collection System (IPAC).

3 Reviewing and Completing FSA-875's and AD-672's When FSA is Not Lead Agency

A

**County Office
Action**

State Offices shall request that County Offices do the following when FSA is **not** the lead agency.

Step	Action
1	Review all FSA-875's .
2	Contact agencies that FSA-875 is negotiated with, and determine what services are being received.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment etc. Request supporting documentation for all costs.
4	When entering into agreements with other agencies for rental of County Office space and common services, request that the billing agency prepare new FSA-875.
5	Sign FSA-875.
6	Submit FSA-875 to the State Office for approval.

Continued on the next page

Notice AS-2034

**3 Reviewing and Completing FSA-875's and AD-672's When FSA is Not Lead Agency
(Continued)**

**B
State Office
Action Once
FSA-875 Has
Been Received
From County
Offices**

Once 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.

Note: The lead agency must send the bill to the State or County Office for reimbursement. A CCC check will be written to the lead agency. Payment of reimbursable expenses incurred at the County Offices cannot be made through OPAC/IPAC, and thus, does not require a MO number from FSA.

**C
State Office
Action**

State Offices shall do the following when entering into FSA-875's or AD-672's with other agencies and FSA is **not** the lead agency.

Step	Action
1	Review all FSA-875's and AD-672's.
2	Contact agencies that FSA-875 or AD-672 is with, and determine what services are being received.
3	Develop a cost estimate for all services, including salaries, benefits, supplies, equipment, maintenance of equipment, etc. Request supporting documentation for all costs.
4	Request that the billing agency prepare FSA-875 or AD-672.
5	Obtain State Office approval.
6	Request that other participating agencies sign FSA-875 or AD-672.
7	Submit FSA-875 or AD-672 to KCFO, FAD, AAOB to obligate funds.
8	Provide KCFO, FAD, AAOB with the name and e-mail address of the billing agency's contact person for whom the MO number shall be provided.

Continued on the next page

Notice AS-2034

**3 Reviewing and Completing FSA-875's and AD-672's When FSA is Not Lead Agency
(Continued)**

D

KCFO Action

KCFO shall do the following when FSA is **not** the lead agency.

Step	Action
1	Review FSA-875's and AD-672's to ensure completeness.
2	Enter obligation data into FFIS Accounting System.
3	Provide billing agency's contact person with the obligating document (MO) number and request that this number be referenced in the OPAC/IPAC description field.
4	Ensure that payments are made.

4 Requirements for Telecommunication-Related Costs

A

Requirements for Collocated Sites

All collocated sites will complete each of the documentation items, and forward to the State Administrative Officer. An MOU alone is not acceptable. All collocated sites must have a signed copy of each of the following:

- AD-672 or FSA-875 for each site (reimbursable agreement is mandatory)
- the supplemental to reimbursable agreement document, FFAS-875-2 (a supplemental document is mandatory).

Complete all applicable line items.

Note: Collocated offices that do not submit a binding AD-672 or AD-875, **will not be considered** for a budget increase to offset telecommunications costs that should be shared with collocated agencies.

Continued on the next page

Notice AS-2034

4 Requirements for Telecommunication-Related Costs (Continued)

B

**Noncollocated
Sites**

All agency noncollocated sites shall complete FFAS-875-3.

C

Distribution

Submit AD-672 or FSA-875 to KCFO, FAD, AAOB.

Mail or FAX copies of FFAS-875-2 and FFAS-875-3 to:

USDA/FSA/ITSTO/TD/NAB
Attn: Lynn Oliphant
Mail Stop 8288
6501 Beacon Drive
Kansas City, MO 64133-4676
FAX: 816-823-1982.

Notice AS-2034

5 Processing AD-672

A

Numbering of AD-672 When FSA is Performing Agency

The numbering system for all offices is identified in the following table.

Description	Entry	Explanation
Agreement Number	last 2-digits of FY	FY.
<p>In this example, FSA is the performing agency, therefore FSA’s NFC identifier “FA” is inserted as the first 2 characters of the performing agency’s organization field followed by the State code (Arizona for this example). If FSA is the requesting agency see subparagraph B.</p> <p>Example: 02-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>	IA or IE	<p>IA - Interagency (agreement between USDA Agencies).</p> <p>IE - Intra USDA (agreements with Agencies outside USDA).</p>
	03560000 - Requesting Agency	<p>2-character alphanumeric code that NFC uses for the applicable requesting agency.</p> <p>2-character alphanumeric code assigned by the requesting agency for its applicable organizational unit, level 1.</p>
	006 - Requesting Agency	3-character alphanumeric unique code assigned by the requesting agency.
	FA - Performing Agency	2-character alphanumeric code that NFC uses for the applicable performing agency.
	040000	<p>2-character alphanumeric code assigned by the performing agency for its applicable organizational unit, level 1 State Office code.</p> <p>Note: State Offices shall use the codes in Exhibit 1. The last 4 positions should be zero-filled by FSA.</p>
	012 - Performing Agency	3-character alphanumeric unique code assigned by the performing agency.

Continued on the next page

Notice AS-2034

5 Processing AD-672 (Continued)

B

Numbering of AD-672 When FSA Is the Requesting Agency

The numbering system for all offices is identified in the following table.

Description	Entry	Explanation
Agreement Number	last 2 digits of FY	FY.
Example: 02-IA-FA040000-012-03000000-006	IA or IE	IA - Interagency (agreement between USDA Agencies). IE - Intra USDA (agreements with Agencies outside USDA).
<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, therefore, FSA’s NFC identifier “FA” is inserted as the first 2 characters of the requesting agency’s organization field followed by the State code (Arizona in this example). If FSA is the performing agency, see subparagraph A.</p>	FA - Requesting Agency	2-character alphanumeric code that NFC uses for the applicable requesting agency.
	040000	2-character alphanumeric code assigned by the requesting agency for its applicable organizational unit, level 1. Note: State Offices shall use the codes in Exhibit 1. The last 4 positions should be zero-filled by FSA.
	012 - Requesting Agency	3-character alphanumeric unique code assigned by the requesting agency.
	03000000 - 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 State Office Code. Note: State Offices shall use the codes in Exhibit 1. The last 4 positions should be zero-filled by FSA
	006 Performing Agency	3-character alphanumeric unique code assigned by the performing agency.

Continued on the next page

Notice AS-2034

5 Processing AD-672 (Continued)

C

**Billing
Frequency**

All USDA agencies are required to perform an annual transfer with a year-end adjustment for interagency funds transfers for shared office expenses. FSA shall comply with the following dates.

Action	Due Date
FSA-875's and AD-672's due to KCFO.	December 15, 2001
MO numbers due to KCFO.	December 28, 2001
KCFO prepares and mails bills.	January 11, 2002
Requested adjustments sent to KCFO.	June 30, 2002
KCFO prepares and mails adjustment billing.	July 31, 2002

Note: All billing and collection functions will be handled by KCFO. These dates are shown so that State and County Offices are aware of the timing of these functions. For KCFO to timely send out billings and adjustments, current FSA-875's and AD-672's must be received by the dates specified in the table.

D

Questions

Contact either:

- Steve Bell at 816-926-1474 or Rosanne Bales at 816-926-5603, KCFO, FAD, AAOB for questions on billing or payment process
 - Lynn Oliphant, KC-ITSTO, TD at 816-926-1395 for questions about telecommunication requirements.
-

State Codes for FY 2001 AD-672's

State	State Code	State	State Code
Alabama	01	Nebraska	31
Alaska	02	Nevada	32
Arizona	03	New Hampshire	33
Arkansas	04	New Jersey	34
California	05	New Mexico	35
Colorado	08	New York	36
Connecticut	07	North Carolina	37
Delaware	09	North Dakota	38
Florida	12	Ohio	39
Georgia	13	Oklahoma	40
Hawaii	15	Oregon	41
Idaho	16	Pennsylvania	42
Illinois	17	Puerto Rico	43
Indiana	18	Rhode Island	44
Iowa	19	South Carolina	45
Kansas	20	South Dakota	46
Kentucky	21	Tennessee	47
Louisiana	22	Texas	48
Maine	23	Utah	49
Maryland	24	Vermont (Virgin Islands)	50
Massachusetts	25	Virginia	51
Michigan	26	Washington	53
Minnesota	27	West Virginia	54
Mississippi	28	Wisconsin	55
Missouri	29	Wyoming	56
Montana	30		