

APD Alert

Purchase Order Modification to Accounting Classification Codes and/or Budget Object Codes



Problems have been occurring in Foundation Financial Information System (FFIS) when the Accounting Classification Code (ACC) and/or Budget Object Code (BOC) are amended in PRCH. Rejects are occurring because modifications to the ACC or BOC are being processed incorrectly. Please refer to the attached NFC Bulletin PRCH 03-1, page 2.

Modifications to ACC's or BOC's should be processed by reducing the PO line item to the amount that has already been paid, and then adding that amount to a new line item which reflects the ACC or BOC. Each new line should be sequentially numbered.

This procedure is only necessary when a payment has been partially made against a line item for which the ACC and/or BOC has been changed. Failure to follow this procedure will result in incorrect FFIS processing and will require manual intervention on the part of the Agency and the FFIS processing area at NFC.

If you have any questions please contact Angelia Fleming Loggie, Policy Branch, on 301-504-1730 or via e-mail at aloggie@ars.usda.gov, or NFC's Purchase Order Inquiry Section at 504-255-4782 or via e-mail at prch@usda.gov.

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Title: II, Voucher and Invoice Payments Manual

Chapter: 5, Procurement Payment Activities, Section 1, Purchase Order System (PRCH)

Bulletin: PRCH 03-1, PRCH and Foundation Financial Information System (FFIS) Processing

Date: November 24, 2003

To: Holders of the PRCH Procedure

To accommodate the requirements of the Foundation Financial Information System (FFIS), changes to the Purchase Order System (PRCH) will be implemented on November 30, 2003. This bulletin explains these changes and reminds users of the need to correctly follow procedures.

Limiting Purchase Orders (POs) to a Single Agency

Since FFIS does not permit payments to be made for more than one agency on a single payment voucher, it is necessary to limit each purchase order (PO) to a single agency. Therefore, PRCH will permit accounting only for the agency identified by the Fund Code on the PO header. PRCH will reject POs to suspense when the Accounting Code does not match the Fund Code.

This will mean that multi-agency procurements on a single PO will no longer be permitted and a separate PO for each agency will be required.

Limiting the Number of Invoices for a Type 43 PO

PRCH will now limit the number of invoices processed against a Type 43 PO to 700. When the 700 invoice limit is reached, PRCH will reject the invoice and require that a new PO be prepared and submitted to the National Finance Center (NFC) to process the rejecting invoice. Future invoices to be processed for the original order will need to reference the new PO number on the AD-838B, Invoice-Receipt Certification, form and invoice to ensure quicker processing. This will prevent processing delays caused by the PRCH to FFIS interface program abending when the FFIS threshold for number of invoices against a PO is exceeded.

Zero Tolerance on Type 43 PO Line Amounts

PRCH will no longer allow a tolerance on a Type 43 PO. Allowing monies over the tolerance on line items and the entire PO was causing serious problems in FFIS. PRCH will now reject any amount shown on a corresponding AD-838A, Invoice-Receipt

Certification, form and invoice that is over the order amount and an amendment will be required for the PO. Agencies should ensure that the line items/charges indicated on the Form AD-838B match exactly to the line items/charges on the purchase order to ensure that proper amounts are being expended.

Payments in excess of the obligated amount for the line items in Type 43 POs will no longer be permitted and will reject to suspense in PRCH, even if the total amount for the PO does not exceed the current obligated amount.

Changing the Accounting Classification Code (ACC) and/or Budget Object Code (BOC)

Problems have been occurring in FFIS when the Accounting Classification Code (ACC) and/or Budget Object Code (BOC) are amended in PRCH. When an ACC and/or BOC change is needed on an existing PO line item, an amendment should be entered in PRCH to liquidate the remaining balance on that line item and to add that balance to the same line item with a new accounting line number. Each new accounting line number would be generated by incrementing the largest accounting line number in the PO by one.

Notes: (1) This procedure is only necessary when there has been a partial liquidation of the line item for which the ACC and/or BOC has been changed. (2) Failure to follow this procedure will result in incorrect FFIS processing and will require manual intervention on the part of the agency and the FFIS processing area at NFC.

Foreign Currency Payments

Foreign currency payments can only be processed through use of the Types 40 and 41 purchase orders. Types 40 and 41 orders issued to foreign vendors must be in U.S. dollars for obligation purposes, even if the U.S. dollar amount must be estimated. PRCH obligates and records U.S. dollars only.

Commodity Codes X and T Available for Type 45 POs

Commodity codes *X* and *T* can now be used for Type 45 POs. Commodity code *X* is used to make immediate payment not subject to the Prompt Payment Act and Circular No. A-125 or cash management. Commodity code *T* is used for payment of all other goods and services that should be targeted for 30 days and is not subject to the Prompt Payment Act and Circular No. A-125.

The PRCH procedure is available online at the NFC Web site. To view and/or print this procedure, go to the NFC home page (www.nfc.usda.gov) and click the **Pubs & Forms** icon. At the Pubs & Forms page left-hand menu, click List by Title/Chapter or List by System Acronym then search for PRCH on the list provided. If you are unable to print from the Web, you can request a printed copy by submitting Form AD-1083, Request for Action for Procedures/Reports, to the address or fax number printed on the form.

Please refer questions about PRCH to the Purchase Order Inquiry Section at **504-255-4724** or via e-mail at *prch@usda.gov*. Refer questions about this bulletin to the Quality Assurance Branch at **504-255-5322** or via e-mail at *nfc.pvct@usda.gov*.



CHARLES L. WALLACE, Director
Controller Operations Division

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