

FACILITIES DIVISION
Facilities Contracts Branch
Standard Operating Procedures

DATE: 11/29/2001 (Revised 12/20/2005)

SUBJECT: COLLECTIONS PROCEDURES

NUMBER: CSOP-02-002

EFFECTIVE DATE: Immediately Until Replaced or Superseded

1. Purpose

The purpose of this document is to establish procedures for processing checks from prospective contractors for payment for solicitation documents received in the Facilities Contracts Branch (FCB). Payments are usually received for solicitations and/or blue prints, but may also be received for special joint projects with other Departments or agencies, or any other organization working with ARS.

2. References

ARS Policy & Procedure No. 326.0, Collections
Financial Management Division (FMD) Manual, Collections, Chapter 2600
U.S. Department of Treasury, Treasury Financial Manual (TFM), Volume 1, Part 5,
Chapter 2000, Checks and Cash Received in Collections, Section 2035.20

3. Authorized Collection Officials

Employees authorized to receive checks in conjunction with a requirement being processed by the Facilities Division (FD) will be designated as a Collection Official in writing by the Chief, FCB, with the prior approval of the Director, FMD. Each Procurement Technician (PT) will be designated authority to hold and process checks. Collection Officials must account for the receipt and proper disposition of all funds coming into their possession.

4. Acceptable Funds Methods

Contracting Officers (CO) are required to ensure that solicitations indicate payments are to be by check or money order only; made out to USDA, Agricultural Research Service; and sent to the CO's attention. FedBizOpps announcements and postings must also specifically state that cash, credit cards, and two-party checks will not be accepted.

5. Processing Collections

- a. Checks for project documents are to be turned over by the CO to the PT assisting the CO handling the project. Checks shall be kept in the Branch's fireproof locked safe/cabinet.
- b. The PT will immediately log it in the Check Log Sheet (Attachment 1). A Check Log Sheet is to be completed for each project. It will include the date the check was received, the company's name, address, amount of check, date of check, check number, and the date the check was sent to the Administrative Collections Unit. This log will be kept in a Check Log Notebook in a central location separate from the checks.
- c. The PT will assign a transmittal number from the Check Transmittal Log (Attachment 2) for all checks received and record the data on the ARS 326-1, Record of Public Funds Received and Transmitted for Deposit, following the instructions on this form. Additionally, the PT will cite Headquarters Vendor Code 920301010 A for deposit of all funds. The PT will sign the ARS 326-1 as the preparer and the appropriate CO will sign this form in the supervisor block.
- d. At a minimum, checks are to be sent by certified mail to the Administrative Collections Unit weekly or when \$5,000 or more is collected. All checks are to be sent with a cover letter (Attachment 3, Sample Letter to Administrative Collections Unit), the ARS 326-1 (original and one copy), and a self-addressed return envelope. The address for the USDA, Administrative Collections Unit is as follows:

USDA, National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

Administrative Collections will return a signed copy of the ARS 326-1 to FCB as proof of receipt. They will deposit the payment in the Treasury and transmit the information to NFC. Copies of each ARS 326-1 must be maintained in FCB for 3 years.

6. Returned Checks

- a. If the check is in the wrong amount or form, or lacks a signature, date, or proper addressee, the PT will notify the contractor and return the check with instructions for proper payment.

- b. The PT will immediately request a replacement check from the contractor in the form of a certified check or money order when a payment cannot be processed due to insufficient funds, a stop payment order, etc.
- c. The CO will document the situation if unable to collect the funds/money due and notify the Chief, FCB, and the Office of the Director, FMD. A copy of this documentation will be provided to the PT to file in the Check Log Notebook. The Director, FMD, will make the final determination as to whether to pursue the matter or write off the fee.
- d. Cancelled projects require that all payments be returned to the appropriate contractors. The CO will prepare a memo to the file identifying the reason the project is cancelled and the number of contractors that are entitled to a refund. The CO will coordinate with the PT who will contact each contractor and advise them of the project's cancellation and that refunds will be provided through Electronic Funds Transfer in accordance with the Debt Collection Improvement Act.

The PT will obtain the contractor's Taxpayer Identification Number and Data Universal Numbering System Number. The PT will confirm whether the contractor is in the Foundation Financial Information System (FFIS) and if they are not in the system, request the Vendor Coordinator to process the request. The PT will also advise the contractors they must be in the Central Contractor Registration System to receive their funds. Once the contractor is confirmed to be in the FFIS, the PT will coordinate with FMD to process the refunds through FFIS.

- e. Lost, destroyed, or mutilated checks that impair their value will be replaced by the contractor who issued the check. If the contractor requires an agreement of indemnity, the Director, FMD, will be contacted to handle the matter.

7. Point of Contact

For further information, please contact the Facilities Contracts Branch on 301-504-1171.

/s/ Brenda A. Wood

BRENDA A. WOOD

Chief

Facilities Contracts Branch

Attachments:

1. Check Log Sheet
2. Check Transmittal Log
3. Sample Letter To Administrative Collections

ATTACHMENT 1 - CHECK LOG SHEET

PROJECT TITLE:					
SOLICITATION NO.:					
					Date Check
Company	Date Check	Date of	Check		Sent to Admin.
<u>Name & Address</u>	<u>Received</u>	<u>Check</u>	<u>Number</u>	<u>Amount</u>	<u>Collections</u>

ATTACHMENT 3

Sample Letter To Administrative Collections

Date: _____

SUBJECT: Transmittal of Checks Addressed to USDA, ARS

TO: USDA, National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

FROM:
Contracting Officer
Facilities Contracts Branch, FD

The checks listed below are payment for plans and specifications to Solicitation No. _____,
(Accounting Code _____).

<u>Company</u>	<u>Check No.</u>	<u>Amount</u>
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Please take the necessary action to credit the above checks to the (Name of Project), of the (Name of lab/facility, city/state), project to offset the cost of duplicating and reproducing the plans and specifications.

If you have any questions, please contact (Name of PT), Procurement Technician, on 301-504-_____.

Enclosures

cc: w/o encl.

ABFO

DAD

FMD

FCB Transmittal Log

(Procurement Technician), FD

Contract File