

PART 2018 - GENERAL

Subpart D - Policy and Procedure for Processing Loan and Grant Disbursements  
and Delivery of Salary Checks and Savings Bonds

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PART 2018 - GENERAL

Subpart D - Policy and Procedure for Processing Loan and Grant Disbursements  
and Delivery of Salary Checks and Savings Bonds

§ 2018.151 General.

This subpart prescribes the policy and procedure for the disbursement and cancellation of Rural Development loan and grant funds, rental assistance, and guaranteed loan disbursements, and the delivery of salary checks and savings bonds. Disbursements related to recoverable and nonrecoverable cost items processed as Type 60 purchase orders are discussed in RD Instruction 2024-A. Rental assistance disbursements will be made in accordance with RD Instruction 1951-K.

§ 2018.152 Authority and responsibility.

(a) Loan and grant disbursements. Designated Rural Development program staff personnel in the National Office and field offices, hereinafter referred to as the servicing office (SO), will be responsible for requesting and delivering loan and grant funds to program recipients. Recipients are defined as any individual, corporation, or other public or private entity, such as a borrower, grantee, lender, closing agent, management firm, contractor, etc., authorized to receive a Federal payment. SO's are responsible for requesting disbursements on an "as needed" basis, ensuring effective fiscal management and use of multiple advance provisions within program guidelines. For assistance in the processing and/or delivery of program disbursements to recipients, the SO will contact the Rural Development disbursement contacts for the applicable programs as listed in Exhibit A of this subpart.

(b) Delivery of salary checks and savings bonds. Designated personnel services staff in the National Office, State Offices, and St. Louis Rural Development offices, are designated as Human Resources offices. These offices are responsible for matters relating to salary checks and savings bonds, as described in § 2018.161 and § 2018.162 of this subpart.

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§ 2018.153 Loan and grant disbursement processing.

(a) General policy. SO's will process disbursement requests in accordance with related loan and grant program guidelines. Additionally, SO's will need to refer to the applicable automated system user documentation for the data entry procedures associated with requesting loan and grant disbursement; (e.g., Program Loan Accounting System (PLAS), Automated Multi-Housing Accounting System (AMAS), Guaranteed Loan System (GLS), Dedicated Loan Origination and Servicing System (DLOS), and Rural Utilities Loan Servicing System (RULSS)). Exhibit A of this subpart provides general guidance for requesting loan and grant disbursements through each of the automated systems. This exhibit is subject to modifications as subsequent appropriation bills and system enhancements are implemented. Exhibit A also identifies loan and grant programs that are not maintained on an automated system, hereinafter referred to as manual programs. For manual programs, the SO will mail, phone, or fax a disbursement request to the office of the Deputy Chief Financial Officer (DCFO), Cash Management Branch (CMB), referenced in Exhibit A of this subpart. The delivery of disbursements to recipients will be made via the electronic funds transfer (EFT) or Treasury paper check method. The EFT method will be used if identified as the disbursement method for a disbursement type in Exhibit A of this subpart because EFT is more cost effective and disbursements are fully traceable if not received by the recipient. Also, the destruction, mutilation, loss, theft, and 2 to 3 day mail time associated with paper checks will be eliminated if the EFT method is used. Disbursements made by EFT will be available for withdrawal from a recipient's account at the designated financial institution 2 work days after update to the respective system referenced in Exhibit A. EFT disbursements must be delivered to the recipient within 5 working days and Treasury check disbursements must be delivered to the recipient within 20 working days. Accordingly, SO's should schedule loan closings within 5 working days of EFT disbursements and 20 working days from Treasury check dates. If a disbursement cannot be delivered within these timeframes, the funds must be returned to the applicable DCFO or Centralized Servicing Center (CSC) Cash Management organization referenced in Exhibit A for cancellation and reordered when needed.

(b) EFT disbursements.

(1) Enrollment. The SO will enroll the payee in EFT by completing Standard Form (SF) 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form." SF 3881 may also be obtained from the website for Treasury's Financial Management Service at <http://fms.treas.gov>. The SO will submit the payee routing information for processing in accordance with § 2018.153(b)(2) or § 2018.153(b)(3) of this subpart, as applicable.

§ 2018.153(b) (Con.)

(2) Processing - Automated Systems. For program disbursements processed through PLAS, GLS, or AMAS, the Rural Development EFT System Handbook should be used as the primary guide for EFT enrollment and processing procedures. For electric and telecommunication program disbursements, Rural Utilities Service program staff enters the borrower's EFT routing information into the Borrower Directory Management System, and processes the disbursement request via the RULSS. See Exhibit A of this subpart for further discussion. For program disbursements processed through the DLOS, refer to the DLOS Training Manual.

(3) Processing - Manual Programs. SO's may mail, phone, or fax a disbursement request to the DCFO, CMB referenced in Exhibit A of this subpart. The request must include the payee name, case number, loan type/type of assistance, amount of disbursement, payee's EFT bank routing number, account number and account type (checking/savings), date of obligation, and undisbursed balance (non-contracts). The DCFO will issue the disbursement via EFT.

(c) Treasury checks.

The following procedures must be used by the SO to issue and correct problems with Treasury Check disbursements:

(1) Issuance of Treasury check. Treasury checks will be prepared by Treasury's Kansas City Regional Finance Center (RFC) in accordance with instructions received from the DCFO. The RFC will issue the check in the payee's name (no address) and mail the check to the Rural Development SO. Treasury checks will be dated 2 to 3 working days after the date the disbursement request is processed.

(2) Delivery of checks by SO. Checks will be delivered to the respective recipients in accordance with the appropriate loan or grant program instruction. When checks are delivered to the SO, the Rural Development official will ensure that the name of the payee and the amount of the check coincide with the request on file. The Rural Development official should be sure that the check is properly endorsed to ensure payment to the intended recipient. An example of such a restrictive endorsement is:

"Pay to the order of (3rd party payee) - (contractor, developer, sub-contractor, building supply house, etc.) for the purpose of \_\_\_\_\_."

Treasury checks not delivered within 20 working days of the date of the check will be returned in accordance with 2018.158(b) of this subpart.

(d) Emergency requests for disbursements.

(1) PLAS, GLS, AMAS and Rural Utilities Service (RUS) electric and telephone emergency disbursement. EFT disbursements will be made available to the recipient 2 days after the disbursement transaction successfully processes to PLAS, GLS, AMAS, or RULSS. If a disbursement is required sooner, a rush request can be requested from the DCFO, CMB if banking information for a prescheduled loan closing or disbursement date has not been entered into the EFT database. (Reference Rural Development Disbursement Contacts listed in Exhibit A of this subpart). These requests will be limited and will be handled on an exception basis. The information captured on the SF 3881 and the disbursement request information must be given to the DCFO, CMB either by phone or fax. When submitting the disbursement request information to the DCFO, CMB by fax, see Exhibit B of this subpart. This sample page may be used as a fax transmittal sheet to submit the required data. At the time of the request, the DCFO, CMB will verify that the routing number is accurate. Once the funds have been released, the borrower's/lender's account will be updated to show the request.

(2) DL0S emergency disbursement. If funds are required in less than 48 hours for a program disbursement processed through DL0S, a wire transfer will be necessary. The SO should follow the instructions in the DL0S Training Manual. The SO should make every effort to complete the appropriate DL0S processing actions at least 5 days before the planned closing. However, if for some reason this was not possible, the following steps must be taken:

(i) The SO must complete and sign the Rush Closing Form (which can be obtained from the DL0S Training Manual) explaining the reason(s) for the exception.

## § 2018.153(d)(2) (Con.)

(ii) The completed Rush Closing Form, along with all items on the Pre-Audit Document Fax Checklist, "Closing" section list, must be faxed to the State Office. The signed Rush Closing Form must be faxed (before 10:00 AM Central Time) to CSC Cash Management Section, Disbursement Unit to obtain approval from the CSC for the exception. (Reference Rural Development Disbursement Contacts listed in Exhibit A of this subpart.)

(iii) CSC will process the wire transfers based on CSC staff's ability to handle the volume. The wire transfers will be handled in the order that the requests are received.

§ 2018.154 Supervised bank accounts.

Supervised bank accounts are bank, savings and loan, or credit union accounts established through deposit agreements entered into among the borrower, the United States of America acting through Rural Development, and the Financial Institution on Form RD 402-1, "Deposit Agreement." Under circumstances described in RD Instruction 1902-A, SO's may deposit loan and grant disbursements into supervised bank accounts for subsequent payment to recipients. SO's will order loan and grant funds on an as needed basis to minimize the use of supervised bank accounts. Supervised bank accounts will be used only when needed as defined in RD Instruction 1902-A to assure the correct expenditure of all or a part of loan and grant funds, borrower contributions, and borrower income. Such accounts will be limited in amount and duration to the extent feasible through the prudent disbursement of funds and the prompt termination of the interests of Rural Development and other lenders when the accounts are no longer required. SO's are responsible for ensuring that supervised bank accounts are properly collateralized in accordance with RD Instruction 1902-A.

§ 2018.155 Non-receipt of EFT disbursements.

For non-receipt of EFT disbursements, the SO's should contact the appropriate DCFO or CSC Cash Management organization listed in Exhibit A of this subpart for assistance. The DCFO or CSC Cash Management organization will put a tracer on the Automated Clearing House disbursement and inform the SO of the appropriate corrective action.

§ 2018.156 Lost, stolen, missing or destroyed Treasury check.

Upon notification by the recipient of a lost, stolen, missing, or destroyed Treasury check, the SO's will call or send a memorandum to the appropriate DCFO or CSC Cash Management organization listed in Exhibit A of this subpart. The SO will provide Cash Management with the case number, payee name, amount of check, date of check, check number (if this is available), whether or not the check has been endorsed, whether or not a replacement check is required, and whether the loss occurred prior to or subsequent to the release of the check to the recipient. The CSC or DCFO Cash Management organization will place a stop payment on the check with Treasury. If the Treasury check has been negotiated, Treasury will provide a copy of the negotiated check. In this case, a replacement check may not be issued. If the Treasury check has not been negotiated, a replacement check may be issued. In the event the lost check is received or located prior to receipt of the replacement check, the SO will immediately notify CSC for DLOS disbursements or DCFO for all other program disbursements. In most circumstances, the original check cannot be released to the payee. In the event the original check is received or located after receipt of the replacement check, the SO will contact the appropriate DCFO or CSC Cash Management organization listed in Exhibit A of this subpart for assistance in proper disposition of the check. Under no circumstances will the SO process a new loan voucher to obtain a check to replace one which has been lost, stolen, missing, or destroyed.

§ 2018.157 Mutilated Treasury check.

For mutilated Treasury checks issued for DLOS disbursements, the SO should send the check, along with Form RD 1940-10, "Cancellation of U.S. Treasury check and/or Obligation," and Form RD 3550-17, "Funds Transmittal," to CSC, Cash Management Section, Disbursement Unit, in accordance with the Direct Single Family Housing Loans and Grants, Field Office Handbook (HB-1-3550). CSC will cancel the check and issue a new check. A loan check for all other programs that is mutilated or defaced to such an extent as to render it nonnegotiable will be returned promptly to the DCFO, CMB, with a memorandum requesting that the SO be notified when a new check can be ordered. The DCFO will request a stop payment to be processed through Treasury. Under no circumstances will the SO process a new loan voucher to obtain a check to replace one which has been mutilated.



§ 2018.158 Cancellations.

(a) Return of EFT disbursement. EFT funds not delivered within 5 working days of the disbursement will be returned. In the event that funds disbursed through EFT must be returned, the following procedures should be followed. For program disbursements processed through PLAS, GLS, or AMAS, the Rural Development EFT System Handbook, *Special Processing Procedures - Return of ACH Disbursements*, should be used as the primary guide for procedures relating to the return of EFT disbursements. The SO will contact the borrower immediately and the borrower will authorize the return of the disbursement. In situations where the borrowers or payees cannot be contacted, the DCFO, CMB should be contacted immediately. As the originator of the disbursement, the DCFO's office can request the bank to return the funds. See the EFT System Handbook for detailed instructions. For DLOS disbursement returns, the SO must notify the CSC, Cash Management Section, Disbursement Unit (ACH Unit) if a closing is not going to occur within 5 business days. If funds are in the recipient's bank account, and the loan is not rescheduled to close within the 5 business day timeframe, the CSC Disbursement Unit will retrieve the funds from the Closing Agent, and transmit the funds back to the Department of Treasury.

(b) Check cancellation. The SO will cancel and return checks not delivered within 20 working days of the date of the check with Form RD 1940-10, "Cancellation of U.S. Treasury Check and/or Obligation," or Form RD 1944-53, "Multi-Family Housing Cancellation of U.S. Treasury Check and/or Obligation," as prescribed in RD Instruction 1951-B. Under no circumstances will an undelivered check remain outstanding for more than 20 working days after the date of the check.

§ 2018.159 Stale dated checks

Under the provisions of Public Law 100-86, the Competitive Equality Banking Act of 1987, generally all U.S. Treasury checks must be negotiated within 12 months after the date of the check or become "stale dated." Stale dated checks are automatically cancelled by Treasury and are not negotiable. Stale dated checks received by or held by the SO should be forwarded to the applicable DCFO or CSC, Cash Management organization listed in Exhibit A of this subpart, along with instructions regarding whether the disbursement should be reissued or cancelled.

§ 2018.160 Monitoring

SO's are responsible for establishing controls to ensure disbursements are negotiated within the 5 and 20 workday timeframes as prescribed in § 2018.153.

§ 2018.161 Salary checks

All salary disbursements must be made by EFT unless the employee has requested and received a waiver to continue receiving a Treasury check in accordance with 31 CFR Part 208. The employee should contact his/her servicing Human Resources Office to request a waiver.

(a) Issuance and delivery of salary disbursements.

(1) Employees will execute a SF-1199A, "Direct Deposit Sign-Up Form," to have their net salary deposited directly in a financial institution.

(2) Employees who meet one of the circumstances under which a waiver of EFT is available will execute an AD-349, "Employee Address," to have their checks sent to their mailing address.

(b) Delivery to employee. All salary disbursements must be sent by EFT unless a circumstance exists under which a waiver is available. Salary checks for USDA employees are mailed from the RFC to the address designated by the employee.

(c) Allotment from salary disbursement for credit to savings account. Employees who wish to have payroll deductions for savings in specified amounts remitted regularly to a financial institution of their choice will execute a SF-1199A.

(d) Nonreceipt of salary disbursement. Any salary disbursement which is not received the day it is normally received should be reported to the Human Resources Office.

§ 2018.161 (Con.)

(e) Errors in salary disbursements.

(1) Checks which contain an error in name or designation of payee that would preclude proper negotiation will be forwarded by the employee to his/her Human Resources Office together with a signed memorandum citing the employee's social security number, the pay period involved, and a request for issuance of a replacement check. The Human Resources Office will forward the signed memorandum received from the employee together with the check to the National Finance Center (NFC). The NFC will forward the incorrectly drawn check to the RFC and begin reprocessing procedures.

(2) Salary disbursements for an incorrect amount will be brought to the attention of the Human Resources Office. It is incumbent upon the employee to notify the Human Resources Office immediately of any unexplained increase in pay as well as any decrease. Administrative errors which result in underpayments will be corrected expeditiously through normal NFC payroll processing procedures.

(3) Overpayments or erroneous payments of pay represent claims against the employee. Such payments are subject to the provisions of Departmental Regulation 2570-002 which provides the standards and procedures for possible waiver of claims arising out of erroneous payments of pay to employees. The employee to whom the erroneous payment was made is responsible for initiating a request for waiver to the Human Resources Office. Rural Development may not consider for waiver any claims that are received after 3 years immediately following the date on which the erroneous payment was discovered. Employee requests for waiver of overpayment of pay are settled by investigating the overpayment and coordinating the resolution of the employee's waiver claim.

(f) Recertification system. Recertification is the reissuing of a second payment because a payee is claiming nonreceipt, loss, theft, mutilation, destruction, or forgery of U.S. Treasury disbursements (either a Treasury check, Direct Deposit, or EFT).

(1) The EFT System transfers salary disbursements electronically from the U.S. Treasury Department, through the Federal Reserve System, to an employee's financial institution. EFT enables direct deposit to an employee's account. If deposits fail to arrive in the bank account of the employee's financial institution, the NFC is notified by the Human Resources Office based on input from the employee. NFC interacts with the Kansas City RFC to correct the problem.

(2) In the event an employee is paid by a U.S. Treasury check and the employee has not received the check by noon on Friday following the Thursday payday, the following recertification actions will be followed.

(i) The employee reports to Human Resources Office that he/she was not paid.

(ii) The Human Resources Office calls the NFC Payroll Adjustments and Inquiry Section and reports checks which were not received.

(iii) NFC determines whether a check has been issued. If no check has been issued, the Human Resources Office is notified and advised to send a "Quick Service" request to NFC as specified in Chapter 13 of the Payroll/Processing Manual. The "Quick Service" process will result in manual processing procedures to produce a check if necessary.

(iv) For checks that have been issued, the NFC provides the Human Resources Office with information which may be needed if the check is not subsequently received by the employee.

(v) The Human Resources Office advises the employee of the status of the check based on information received from the NFC.

(3) If the employee has not received a check by Monday following the Thursday payday, the Human Resources Office will telephone the NFC to request a replacement check.

(i) NFC will begin recertification procedures upon receipt of the telephone call from the agency on Tuesday.

## § 2018.161(f) (3) (Con.)

(ii) At this time, the employee must file and the agency must certify the AD-663, "Request for Issuance of Substitution/Replacement Check," in accordance with Chapter 13 of the NFC Payroll/Personnel Processing Manual.

(iii) When the replacement check is requested, NFC processes a stop payment action on the original check.

(4) If the payee has both checks, the replacement check should be negotiated and the original check must be returned to the NFC.

(g) Recertification and replacement after receipt by employee. The procedures outlined in paragraph (f) of this section are also followed to initiate the replacement of salary checks which are lost, stolen, mutilated, defaced, or destroyed after receipt by the employee. If the NFC determines that the original check has been negotiated, the employee will be required to complete Financial Management Service (FMS)-1133, "Claim Against the United States for The Proceeds of A Government Check."

§ 2018.162 Savings bonds.

(a) Purchase. Employee execution of a Savings Bonds (SB)-2362E, "Authorization for Purchase and Request for Change-United States Series EE Savings Bonds or United States Series I (Inflation-Indexed) Savings Bonds," authorizes the NFC to purchase U.S. Savings Bonds through salary allotment. The SB-2362E will be prepared and forwarded to the Human Resources Office having jurisdiction over the employee. The Human Resources Office will review the SB-2362E for completeness and accuracy. The data contained in the SB-2362E will be transmitted to the NFC and the original will be retained on file in the Human Resources Office. The Disbursing Center, Birmingham, Alabama, issues bonds. Delivery of bonds may be expected not later than 30 days from the date of final payroll deduction for this purpose. Human Resources Offices will not make inquiries of the NFC regarding issuance of bonds until after the previously stated time schedule for issuance and delivery clearly indicates there is need to follow up with the NFC.

(1) An employee desiring to change the amount of the bond allotment or denomination, or the name and address of the owner or co-owner will execute a new SB-2362E.

(2) Payroll deductions for purchase of bonds will remain in effect until canceled by the employee by executing a new SB-2362E or termination from Federal service.

(b) Verification of bonds. Recipients should examine each bond when received. Any bond drawn erroneously or incorrectly should be returned to the employee's Human Resources Office with a letter explaining the reason for such return and request issuance of a properly drawn bond. All communications and correspondence with the NFC regarding the correction process will be handled by the Human Resources Office as prescribed in the NFC Payroll/Personnel Processing Manual.

(c) Replacement bonds (nonreceipt).

(1) A bond that is not received within 30 days of the date of the final payroll deduction which provided an accumulated amount sufficient to purchase the bond should be reported, by letter signed by the owner, to the Human Resources Office. The letter should contain the following information:

(i) A statement that the bond was not received;

(ii) Name of the owner and co-owner or beneficiary, if designated;

(iii) Owner's social security number. If the owner is not the employee who purchased the bond, include the purchasing employee's name and social security number;

(iv) Denomination of the bond;

(v) Mailing address for the replacement bond; and

(vi) A list containing the issue dates of bonds received immediately before and after the missing bond(s).

(2) Upon receipt of the signed letter from the owner, the Human Resources Office will contact the NFC Inquiry Section to obtain the inclusive number series in which the bond was issued, the issue date, a SF-1166, "Voucher and Schedule of Payments," pay period in which issued, and any additional information needed. The Human Resources Office will assist the employee in completing Public Debt Form (PD F) 3062-4, "Claim For Relief on Account of the Nonreceipt of United States Saving Bonds," and then forward the signed letter with the additional information to the RFC. The Human Resources Office will insert "SAVINGS BOND" in bold type in the top margin of the letter to expedite issuance of the bond.

§ 2018.162(c) (Con.)

(3) If a replacement bond is issued and the original bond is subsequently received, the original bond must be returned through the Human Resources Office to the Bureau of the Public Debt as prescribed in the NFC Payroll/ Personnel Processing Manual. The substitute bond is the only one which will be honored by the Treasury Department at the time it is to be redeemed.

(d) Replacement bonds for lost, stolen, mutilated, defaced, or destroyed bonds.

(1) A request for a replacement bond should be prepared only if the bond was received but subsequently lost, stolen, mutilated, defaced, or destroyed to the extent of being nonnegotiable. In this case, the designated owner must send a signed letter directly to:

U.S. Treasury Department  
Bureau of Public Debt  
200 Third Street  
Parkersburg, WV 26106

(2) The letter should identify the bond(s) to be replaced and should contain as much of the following information as possible:

- (i) The owner's name and social security number;
- (ii) Mailing address for the replacement bond;
- (iii) Name of co-owner or beneficiary, if designated;
- (iv) Denomination, issue date, and number of each bond; and
- (v) A concise statement describing the circumstances which require that a replacement bond be issued.

(3) The Human Resources Office will assist the employee in completing PD F 3062-4, or PD F 1048 "Claim For Lost, Stolen, Or Destroyed United States Savings Bonds," as applicable; and then forward the signed letter with the additional information to the RFC. If the nonnegotiable bond is in the possession of the owner, it must be attached to and forwarded with the letter. A copy of the letter should be furnished to the employee's Human Resources Office.

(4) The Human Resources Office will furnish any information needed for the letter if requested by the employee or owner. If necessary, the Human Resources Office will contact the NFC Inquiry Section for such information.

(5) Whenever a bond is reported as lost or stolen but is subsequently recovered, it must be returned to the Bureau of Public Debt in Parkersburg, West Virginia, when the replacement bond is received. The replacement bond is the only one which will be honored by the Treasury Department at the time it is to be redeemed.

(e) Credit balances.

(1) When an employee cancels a bond allotment, the salary disbursement for the pay period in which the cancellation is effective will include the balance in the bond account.

(2) When an employee terminates service with the Federal Government, any accumulated balance to the employee's credit will be included in the employee's final salary disbursement.

§§ 2018.163 - 2018.200 [Reserved]

Attachments: Exhibit A and Exhibit B

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**Rural Development Disbursement Matrix**

**FOR RURAL DEVELOPMENT DISBURSEMENT CONTACTS: SEE ADDRESSES ON PAGE 6 OF THIS MATRIX**

FINANCIAL MANAGEMENT SYSTEM Disbursement Activity/Method	Process Flow Description	Source Document	Loan and Grant Programs Included in Financial Management System
<p><b>PROGRAM LOAN ACCOUNTING SYSTEM (PLAS) / AUTOMATED DISCREPANCY PROCESSING SYSTEM (ADPS)</b></p> <hr/> <p>Initial/Single Advance/Electronic Funds Transfer (EFT)            Subsequent Advance/EFT</p> <p>Cancellation</p>	<p>Initial and subsequent advances processed through PLAS must be requested via EFT. Servicing office (SO) establishes EFT payee record and related borrower record, using the Rural Development Electronic Funds Transfer (EFT) System Handbook for reference. SO requests loan or grant advance via ADPS transaction code 1C. Reference Automated Discrepancy Processing System (ADPS) instructions for inputting transactions to PLAS.</p> <p>SO prepares and approves Form RD 1940-10, Cancellation of U.S. Treasury Check and/or Obligation. For EFT disbursement cancellation, SO should follow the instructions in the EFT System Handbook. For cancellation of Treasury check, SO should follow the procedure shown in §2018.158 of this instruction. The Deputy Chief Financial Officer (DCFO) will cancel the disbursement.</p>	<p>ADPS screen printout (with authorizing signature)</p> <p>Form RD 1940-10</p>	<p>Appalachia Regional Commission Grants            Business and Industry Loans            Community Facility Loans and Grants            Economic Development Administrative Grants            Emergency Community Water Assistance Grants            High Energy Cost Grants            Housing Application Packaging Grants            Housing Preservation Grants            Water &amp; Environmental Loans and Grants            Intermediary Relending Program            Mutual &amp; Self-Help Housing Grants            Rural Alaskan Village Grants            Rural Business Enterprise Grants            Rural Business Opportunity Grants            Rural Cooperative Development Grants            Rural Economic Development Loans and Grants            Self-Help Technical Assistance            Television Demonstration Grants</p>

**Rural Development Disbursement Matrix**

<b>GUARANTEED LOAN SYSTEM (GLS)</b>	<u>NOTE:</u> For the guaranteed B&I program, disbursement is by Treasury check. For all other guaranteed programs, EFT disbursement is preferred unless lender does not use ACH, in which case a Treasury check disbursement will be made.		Guaranteed Business and Industry Loans Guaranteed Community Facilities Loans Guaranteed Rural Rental Housing Loans Guaranteed Single Family Housing Loans Guaranteed Water and Environmental Loans
Losses (EFT/Treasury check)	SO reviews and approves Form RD 449-30, Loan Note Guarantee Report of Loss, received from lender and forwards it to the DCFO. The DCFO enters the loss claim to GLS for disbursement.	Form RD 449-30 (4041)	
Loan Repurchases (EFT/Treasury check)	SO completes and sends Form RD 1980-37, Purchase of Guaranteed Loan Portion, with attachments to the DCFO for approval and disbursement to holder. The DCFO enters the repurchase claim to GLS for disbursement.	Form RD 1980-37 (4035)	
Appraisal/Liquidation Fees (EFT/Treasury check)	Form RD 1980-46, Report of Liquidation Expenses, is prepared by SO and sent to the DCFO for disbursement. The DCFO enters the claim into GLS for disbursement.	Form RD 1980-46 (4040)	
Rural Rental Housing (RRH) Interest Assistance (EFT/Treasury check)	Form RD 1980-24, Request Interest Assistance/Interest Rate Buydown/Subsidy Payment, is completed by lender and approved by SO. Approved Form RD 1980-24 with original signatures is sent by SO to the DCFO for disbursement to the lender.	Form RD 1980-24 (4031)	
Rural Housing (RH) Interest Assistance (EFT)	SO enters annual interest assistance agreement request via GLS using T/C 4049, entering information from Form RD 1980-13, Annual Interest Assistance Agreement, completed by lender. Over the subsequent twelve months a disbursement is automatically issued to the lender through the GLS system. An EFT will be made using the banking information within the EFT system.	Form RD 1980-13 (4049/4055)	
Restructure Payments (EFT)	Servicing lender prepares a payment schedule for restructure payments for the DCFO. DCFO makes EFT disbursements according to the payment schedule using the banking information provided by the servicing lender.	Loan Guarantee Agreement; Trust Agreement; Closing Documents	
Cancellation	SO prepares Form RD 1940-10, Cancellation of U.S. Treasury Check and/or Obligation. For EFT disbursement cancellation, SO should follow the instructions in the EFT System Handbook. For cancellation of Treasury check, SO should follow the procedure shown in §2018.158 of this instruction. DCFO will cancel the disbursement.	Form RD 1940-10	

**Rural Development Disbursement Matrix**

<p><b>AUTOMATED MULTI-HOUSING ACCOUNTING SYSTEM (AMAS)</b></p> <hr/> <p>Initial/Single Advance/EFT          Initial/Single Advance/Treasury check</p> <p>Subsequent Advance/EFT          Subsequent Advance/Treasury check</p> <p>Cancellation</p> <p>Rental Assistance (Sec. 521)</p> <p>Rental Assistance Cancellation</p>	<p>SO establishes EFT payee record and related borrower record, using the Rural Development Electronic Funds Transfer (EFT) System Handbook for reference. Forms required are Form RD 440-11, Estimate of Funds Needed, or Form RD 1944-52, Multiple Family Housing-Promissory Note, or SF 270, Request for Advance or Reimbursement. SO requests loan or grant advance via AMAS transaction code M1C. Reference AMAS Handbook for inputting transactions to AMAS.</p> <p>SO prepares Form RD 1944-53, Multi-Family Housing Cancellation of U.S. Treasury Check and/or Obligation. For EFT disbursement cancellation, SO should follow the instructions in the EFT Handbook. For cancellation of a Treasury check, SO should follow the procedure shown in §2018.158 of this instruction.</p> <p>Borrower prepares and submits Form RD 1944-29, Project Worksheet for Credit and Rental Assistance, to the SO for approval. SO requests disbursement via AMAS transaction M2A. Disbursement is made to the borrower by EFT. (Reference RD Instruction 1951-K).</p> <p>Following the procedures shown in the AMAS On-Line Cash Manual the SO completes and prints MS2 screen. SO sends the print with a detailed explanation of cancellation to the DCFO, Direct Loan and Grant Branch FC340, to cancel rental assistance.</p>	<p>Forms RD 440-11 (Association/Community Development) or 1944-52 (Rural Rental Housing, Labor Housing, RH Site and Site Option) or SF 270 (Rural Housing Service-Single Family Housing Site Loans)</p> <p>Form RD 1944-53</p> <p>Form RD 1944-29</p> <p>Screenprint of MS2 with authorizing signature</p>	<p>Direct Multi-Family Housing Loans          Direct Site Development Loans          Farm Labor Housing Loans and Grants          Housing Land Development Loans          Multi Family Credit Sales Loans          Rental Assistance</p>
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**Rural Development Disbursement Matrix**

<p><b>RURAL UTILITIES SERVICE (RUS) /          RURAL UTILITIES LOAN          SERVICING SYSTEM (RULSS)</b></p> <hr/> <p>Initial Advance (EFT)          Subsequent Advance (EFT)</p>           <p>Cancellation</p>   <p>RTB C Stock Dividend (EFT)</p>	<p>RUS Program Staff enters the EFT routing information (bank routing and account number) in the Borrower Directory Management System (BDMS). Borrower completes RUS Form 595, Financial Requirement and Expenditure Statement, for Electric Program loans (or RUS Form 481, Financial Requirement Statement, for Telecom Loans) and forwards it to the RUS Program Staff for administrative approval. Program Staff prepares Forms 676 (Report of Vouchers Released) and 595 (or 481). RUS Program Staff inputs the disbursement request to RULSS.</p> <p>Program Staff contacts DCFO and requests a cancellation of the disbursement.</p> <p>Rural Telephone Bank (RTB) Board of Directors sends Program Staff a resolution showing the dividend rate declared and payable date. Based on RTB Board resolutions, DCFO issues a dividend by EFT.</p>	<p>Forms REA 595 (or 481), 676</p>	<p>Electric Loans          Rural Telephone Bank Loans          Telecommunications Loans</p>
<p><b>DEDICATED LOAN ORIGINATION          SYSTEM (DLOS)</b></p> <hr/> <p>Single/Initial/Subsequent Advance (EFT)          Single/Initial/Subsequent Advance          (Treasury check)</p>           <p>Cancellation</p>	<p>SO requests loan or grant funds via DLOS automated system and account screens. Reference DLOS Training Manual for inputting transactions. The DLOS Training Manual can be accessed via the USDA Rural Development Intranet. U.S. Bank initiates EFT disbursements for programs serviced by DLOS.</p> <p>To cancel a disbursement, SO contacts Centralized Servicing Center (CSC) Cash Management Section, Disbursement Unit (ACH Unit). SO sends the Treasury check (or recipient's reimbursement if the EFT or Treasury check cannot be returned), Form RD 1940-10 (Cancellation of U.S. Treasury Check or Obligation), and Form RD 3550-17 (Funds Transmittal) by overnight mail to CSC. CSC then cancels the disbursement. Reference Direct Single Family Housing Loans and Grants, Field Office Handbook (HB-1-3550) for detailed instructions on returning checks to CSC.</p>	<p>Closing Agent Information          Sheet</p>           <p>Form RD 1940-10          Form RD 3550-17</p>	<p>Housing Loans and Grants-Elderly Modular          Housing Natural Disaster Grants          Self-Help Housing Land Development Loans          Single Family Housing Loans and Grants          Very Low Income Housing Repair Loans and Grants          Water and Waste Disposal Individual Grants</p>

**Rural Development Disbursement Matrix**

<p><b>COMPENSATION FOR CONSTRUCTION DEFECTS (RHS)</b></p> <hr/> <p>Initial Advance (EFT)          Subsequent Advance (EFT)</p>	<p>Form RD 1924-4, (Documentation for Construction Complaint/Request for Compensation for Construction Defects), will be completed by the borrower and submitted to the SO. The SO submits the claim for compensation to the National Office for authorization of funds prior to approval. SO may mail, phone, or fax a disbursement request to the DCFO. Disbursement is made by EFT using banking information provided in the request.</p>	<p>Form RD 1924-4</p>	<p>Single Family Housing</p>
<p><b>NON-AUTOMATED (MANUAL) PROGRAMS</b></p> <hr/> <p>Initial Advance (EFT)          Subsequent Advance (EFT)</p>	<p>Program Staff or SO may mail, phone, or fax a disbursement request to the DCFO. The request must contain the payee name, case number, loan type/type of assistance, amount of disbursement, payee's EFT bank routing number, account number and account type (checking/savings), date of obligation, and undisbursed balance (non-contracts).</p>		<p>Armament Retooling and Manufacture Support Guaranteed Loans          Department of Energy Matching Grants          Distance Learning and Telemedicine Loans and Grants          Electrification and Telecommunications Guaranteed Loans          Hazardous Waste Management Grants          High Energy Cost Grants          Local Television Guaranteed Loans          Mutual and Self Help Housing Grants - Contracts          National Sheep Industry Improvement Center          Renewable Energy Grants          Rural Circuit Rider Contracts          Rural Empowerment Zone and Enterprise Community Grants</p>

**Rural Development Disbursement Matrix**

<p><b>DISBURSEMENT ACTIVITIES COMMON TO MULTIPLE SYSTEMS</b></p> <hr/> <p>Refunds (EFT)</p>	<p>SO sends a written request (facsimile is acceptable) for refunds to the DCFO or CSC. The request must include borrower name, case number, fund code, loan number, amount of payment, banking information, and the reason for refund. Disbursement is made by EFT using banking information provided in request.</p>	<p>Memorandum</p>	
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**RURAL DEVELOPMENT DISBURSEMENT CONTACTS**

**Single Family Housing Direct  
Loan and Grant Programs:**

Centralized Servicing Center (CSC)  
 Cash Management Section  
 Disbursement Unit

Mail Code: FC-2B  
 Telephone No.: 314-206-2060  
 FAX No.: 314-206-2766

**All Other Rural Development Direct  
and Guaranteed Programs:**

Deputy Chief Financial Officer (DCFO)  
 Fiscal and Accounting Division  
 Cash Management Branch

Mail Code: FC-363  
 Telephone No.: 314-457-4031  
 FAX No.: 314-457-4371

**FAX TRANSMITTAL**

**To:** Rural Development: DCFO, CMB  
**FAX No.:** 314-457-4371  
**Telephone No.:** 314-457-4031

**From:**  
**FAX No.:**  
**Telephone No.:**  
**Comments:** \_\_\_\_\_

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**Request for Disbursement of Funds Data Sheet**

<b>Borrower Name</b>	
<b>Amount of Loan/Grant</b>	
<b>Fund Code/Loan No. for ADPS Borrowers</b>	
<b>Undisbursed Balance</b>	
<b>Date of Obligation</b>	
<b>Amount of Original Obligation</b>	
<b>Payee Name</b>	
<b>Bank Routing Number</b>	
<b>Payee Bank Account No.</b>	
<b>Type of Account</b>	
<b>Borrower (Case) Number</b>	
<b>Type of Assistance</b>	
<b>Check Request Amount</b>	