



Date: June 4, 2002

Subject: OCFO Bulletin #2002-001, Elimination of Miscellaneous Vendor Codes

To: All Agencies

## PURPOSE

The purpose of this bulletin is to provide guidance for the immediate prohibition of using miscellaneous vendor codes for transactions recorded in departmental systems.

## DEFINITIONS

Intradepartmental: Transactions occurring between Department of Agriculture (USDA) organizations, such as internal agreements.

Intra-governmental: Transactions occurring between USDA organizations and another federal agency including USDA agencies, such as between Forest Service and Department of the Interior.

Non-governmental: Transactions occurring between USDA organizations and other entities, such as states, localities, counties, sovereign governments, businesses, and individuals.

Trading Partner: The governmental agency participating in transactions with USDA organizations.

## BACKGROUND

The use of miscellaneous vendor codes does not provide the appropriate trading partner information required for the intradepartmental elimination entries and/or information required for external reporting. Financial statement related external reports such as the Treasury Report on Receivables (TROR, formerly the Schedule 9), Federal Agencies Centralized Trial Balance System (FACTS) I, FACTS II, and financial statements including notes and supplementary information require differentiation between intra-governmental and non-governmental transactions. The use of miscellaneous vendor codes prevents the USDA from properly preparing the financial statements, disclosing accurate information, and providing accurate transaction activity to our trading partners. In addition, use of miscellaneous vendor codes compromises the ability to obtain a detailed listing by vendor of outstanding receivables/payables, and adversely affects auditability of the consolidated statements.

OCFO BULLETIN





## RESPONSIBILITIES

The Chief Financial Officer of each USDA organization is responsible for the quality and integrity of the agency's financial data.

## POLICY

The use of miscellaneous vendor codes is prohibited on any transaction, including accounting adjustments. The only exception is for commitment transactions, which are booked before the vendor has been determined.

## CORRECTIVE ACTIONS

### Transactions entered or referenced in FY2002

All transactions entered or referenced in fiscal year 2002 using a miscellaneous vendor code must be corrected immediately. The target date for this correction is July 31, 2002. Please assure that the corrections are supported with appropriate documentation to provide an audit trail to the original transactions.

The Guidelines for Accruals and Estimates will be issued separately and will include guidance on the vendor codes to be used for standard accruals.

### Feeder system transactions

At this time no action is required for transactions originating from National Finance Center (NFC) feeder systems using a miscellaneous vendor code. The Associate Chief Financial Officer for Financial Systems will issue separate guidance regarding correction of transactions recorded via feeder systems.

## INQUIRIES

Any questions concerning this bulletin should be directed to Jon Holladay on (202) 619-7642.

## EFFECTIVE DATE

This bulletin is effective immediately. Any existing waivers or exceptions are hereby revoked.

Jesse L. King  
Confidential Assistant, Controller Operations

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