



Treasury Financial Manual

Transmittal Letter No. 687

Volume I

To: Heads of Government Departments, Agencies, and Others Concerned

1. Purpose

This transmittal letter releases new TFM Volume I, Part 4A: Payment-Related Activities Within the Authority Granted to the U.S. Chief Disbursing Officer (CDO). It prescribes procedures for payment-related activities within the CDO's authority and includes the following chapters:

- Chapter 1000—Introduction
- Chapter 2000—Overall Disbursing Rules for All Federal Agencies
- Chapter 3000—Requirements for Scheduling Payments Disbursed by the Financial Management Service (FMS)
- Chapter 4000—Requirements for Non-Treasury Disbursing Officers (NTDOs)

2. Rescission

This transmittal letter also rescinds the following TFM Volume I releases:

Release	Title	Reason for Rescission
Part 3, Chapter 1000	Introduction	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Part 3, Chapter 2000	Payroll Vouchers	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Part 4, Chapter 1000	Introduction	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 1000.
Part 4, Chapter 1100	Delegations and Designations of Authority for Disbursing-Related Functions	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 3000.
Part 4, Chapter 1500	Treasury's Electronic Funds Transfer (EFT) Requirement	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapters 2000 and 3000.
Part 4, Chapter 2000	Payment Issue Disbursing Procedures	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.

Release	Title	Reason for Rescission
Part 4, Chapter 3000	Third-Party Draft Procedures for Imprest Fund Disbursing Activities	U.S. Debit Card is promoted as the payment vehicle to replace third-party drafts. See TFM Volume I, Part 4A, Chapter 3000.
Part 4, Chapter 9000	Foreign Exchange	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 3000.
Part 4, Chapter 10000	Delegation of Disbursing Authority	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 4000.
Part 6, Chapter 2000	Cash Advances Under Federal Grant or Other Programs	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Part 6, Chapter 6000	Payment Procedures Upon Expiration of an Appropriation or a Continuing Resolution	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Bulletin No. 2003-04	Implementation of Executive Order 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Bulletin No. 2005-07	Instructions for Submitting Vendor Payment Requests	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Bulletin No. 2006-07	Guidance on Federal Program Agencies (FPAs) Making Postage Payments to the U.S. Postal Service (USPS)	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000. Electronic funds transfer requirements encompass this subject matter.
Bulletin No. 2007-05	Federal Agency Electronic Data Interchange (EDI) Payments Subject to Offset Through the Treasury Offset Program (TOP)	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 2000.
Bulletin No. 2012-05	Emergency Certification of Payments When the Secure Payment System (SPS) is Unavailable	TFM guidance has been updated and incorporated into TFM Volume I, Part 4A, Chapter 3000.
Bulletin No. 2013-01	Non-Treasury Disbursing Officer (NTDO) Report for Daily Disbursement Forecasting	TFM guidance has been incorporated into TFM Volume I, Part 4A, Chapter 4000.

5. Inquiries

Direct any questions concerning this transmittal letter to:

Chief Disbursing Officer
Financial Management Service
Department of the Treasury
Liberty Center, Room 335
401 14th Street, SW.
Washington, DC 20227
Telephone: 202-874-6800

Payment Management
Financial Management Service
Department of the Treasury
Liberty Center, Room 358
401 14th Street, SW.
Washington, DC 20227
Telephone: 1-855-868-0151

A handwritten signature in black ink, appearing to read 'D. Lebryk', is positioned above the printed name and title.

Date: December 6, 2012

David A. Lebryk
Commissioner

Part 4A—Chapter 1000

Introduction

Part 4A: Payment-Related Activities Within the Authority Granted to the U.S. Chief Disbursing Officer (CDO)

Section 1010—Scope and Applicability

This part is divided into four Treasury Financial Manual (TFM) chapters. This chapter provides an overview of Part 4A. Chapter 2000 addresses overall disbursing rules for all Federal agencies. Chapter 3000 addresses disbursing procedures for scheduling and classifying domestic and international payments disbursed by the Financial Management Service (FMS). Chapter 4000 addresses requirements for Non-Treasury Disbursing Offices (NTDOs).

The guidelines in this part apply to:

- Certifying officers of all Federal agencies, including Government corporations;
- Disbursing officials under the Department of the Treasury (Treasury);

AND

- Agency disbursing officials who exercise disbursing functions under specific statutory authority, or authority delegated by Treasury.

Section 1015—Authority

Specific governmental authorizations are provided in the Authority paragraph of each chapter.

Section 1020—Contacts Page

The Contacts page of each chapter directs users to the organization(s) responsible for the technical content of the chapter. The first contact is the area with ownership responsible for the chapter. If the chapter contains specific or technical material relating to other areas, the Contacts page also includes the contact information for those areas.

For questions regarding a TFM chapter, users should contact the responsible area listed on the Contacts page.

Section 1025—Electronic Forms

In compliance with the Government Paperwork Elimination Act requirement that Federal agencies provide electronic options for transactions with

Government, FMS has done the following:

- Created electronic formats for data submissions to and transactions with Treasury.
- Supported a business environment where electronic processes are becoming more common.
- Developed a Web site at <http://www.fms.treas.gov/forms.html> that includes some FMS-produced forms to support products and services.

Unless exempted by law or FMS, all departments and agencies use standard accounting and reporting forms and related procedures, including those prescribed by the Government Accountability Office.

Section 1030—Distribution

Users may access the TFM via the Internet at <http://www.fms.treas.gov/tfm>.

CONTACTS

Direct inquiries concerning this part to:

Chief Disbursing Officer
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Department of the Treasury
Liberty Center, Room 335
401 14th Street, SW.
Washington, DC 20227
Telephone: 202-874-6800

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Part 4A—Chapter 2000

Overall Disbursing Rules for All Federal Agencies

This Treasury Financial Manual (TFM) chapter provides guidance to Federal agencies on the overall disbursing rules.

Section 2010—Scope and Applicability

The principal objectives of control over disbursements are to ensure that all disbursements are legal, proper, and correct and that all disbursements are accurately recorded, reported, and reconciled in a timely and an efficient manner. Each agency's system of internal management control over, and related procedures for, disbursements should be based on the operating needs of that particular agency and should conform to the Department of the Treasury's (Treasury's) regulations and the related principles and standards for internal management control prescribed by the Federal Accounting Standards Advisory Board (FASAB). Internal management controls can be found in the Yellow Book on the Government Accountability Office (GAO) Web site at <http://www.gao.gov/yellowbook> and the Green Book on the Financial Management Service (FMS) Web site at <http://www.fms.treas.gov/greenbook/index.html>. All agencies, including agencies that do not use Treasury's FMS to disburse their payments, must be vigilant of the risks and inefficiencies that exist to providing accurate and reliable payment data in advance of payments being made. Agencies also need to ensure that they have the ability to control the flow of all payments

during budget year transitions and debt ceiling constraints. In the event of a Government budget year transition or debt ceiling constraint, Treasury will invoke rules for processing payments that flow through the Federal Reserve Bank (FRB) and debit the Treasury General Account (TGA). For specific instructions on electronic payment file submissions to the FRB in the event of a fiscal crisis, Non-Treasury Disbursing Offices (NTDOs) should refer to TFM Volume I, Part 4A, Chapter 4000, subsection 4020.10, Rules Under Government Fiscal Crisis, for guidance.

Treasury tracks new banking and other regulatory requirements impacting payments and incorporates these requirements into its rules, procedures, and systems. Some of these requirements include National Automated Clearing House Association (NACHA) Rules, the Federal Reserve Operating Circulars and Regulations, financial sanctions and controls imposed by Treasury's Office of Foreign Assets Control (OFAC), and the Improper Payments Elimination and Recovery Act of 2010. Agencies disbursing payments through Treasury must comply with these requirements. Compliance procedures are built into Treasury's disbursement process and do not require the special interfaces and processes that agencies not disbursing through Treasury must build and maintain.

Section 2015—Authority

31 U.S.C. 331, 3321, 3322, 3325, 3328, 3329, 3331, 3511, 3512, 3513, 3301-3304, 3332, 3343, 3511, 3521, 3528, 3529, 3541, and 5112

Section 2020—Anti-Deficiency Act

Agencies that incur obligations after an appropriation or continuing resolution expires violate the Anti-Deficiency Act. Certifying officers (COs) should approve the payment of obligations incurred by agencies only when Congress has enacted legislation extending obligation authority. The prohibitions contained in this chapter are applicable to all U.S. COs. Each administrative department or agency is responsible for properly instructing its disbursing officers about these prohibitions.

Section 2025—Compliance With Executive Order 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism

Executive Order 13224 prohibits transactions with persons who commit, threaten to commit, or support terrorism.

OFAC maintains the Specially Designated Nationals (SDN) and Blocked Persons list, which provides a list of individuals and entities covered by Executive Order 13224. The SDN and Blocked Persons list also includes the additional restrictions found in the Foreign Assets Control regulations at 31 CFR Chapter V.

Agencies must not make or certify payments, or draw checks or warrants, payable to an individual or organization listed on the SDN and Blocked Persons list. Agencies should consult the SDN and Blocked Persons list at <http://www.ustreas.gov/offices/enforcement/ofac/sdn/index.html> before making payments.

Direct questions concerning Executive Order 13224 or the SDN and Blocked Persons list to OFAC. See the contact information at <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx> or call 202-622-2490.

Section 2030—Debt Collection Improvement Act of 1996 (DCIA)

DCIA, codified in pertinent part at 31 U.S.C. § 3716, requires Federal disbursing officials to withhold all or part of Federal payments made to persons or entities that owe delinquent nontax debts in order to satisfy debts. This process is known as “offset.” FMS has issued regulations governing offset of Federal payments to collect delinquent nontax debt at 31 CFR 285.5. Authority for collecting delinquent tax debts through the continuous levy of certain Federal payments can be found at 26 U.S.C. § 6331(h). For additional information on agency responsibilities under DCIA and the Treasury Offset Program (TOP), see TFM Volume I, Part 4, Chapter 4000, on the Web site at <http://www.fms.treas.gov/tfm/vol1/v1p4c400.html>.

Section 2035—Electronic Funds Transfer (EFT) Disbursements – General Guidelines

All Federal nontax payments must be made by EFT, in accordance with 31 CFR Part 208, unless a waiver applies. Individuals receiving a type of benefit payment that is not eligible for deposit on a Direct Express® Debit MasterCard® card are waived from the EFT requirement. Most types of benefit payments are eligible for deposit on a Direct Express® Debit MasterCard® card; therefore, most new benefit recipients must receive payment by Direct Deposit or on the Direct Express® Debit MasterCard® card beginning on March 1, 2013.

Agencies must make all vendor payments by EFT. There are no waivers available for vendor recipients as a class of payments.

2035.05—EFT Disbursements – Benefit Payments

2035.05a—Agency Process – New Benefit Recipients

Agencies processing new benefit requests must inform recipients of the requirement to receive their benefit payment by either Direct Deposit or via the Direct Express® Debit MasterCard® card. Agencies should refer the recipients to the EFT requirements prescribed in 31 CFR Part 208. For more information, see the FMS Web site at <http://www.fms.treas.gov/eft/regulations.html>.

Agencies must ensure their forms, online enrollment processes, and any appropriate procedures associated with the application of benefits reflect the EFT requirement for payments. Agencies must remove any references to checks in their processes, forms, and procedures related to receipt of benefit payments. They must ensure that all agency personnel processing benefit requests are adequately trained on the EFT requirements for benefit payments.

Agencies must work with Treasury and its financial agent to develop

processes to offer the Direct Express® Debit MasterCard® card to new and existing benefit recipients who are unable to receive payments by Direct Deposit. Agencies must ensure that any offices receiving and processing benefit requests have the appropriate systems, procedures, and accesses in place to enroll recipients for either Direct Deposit or the Direct Express® Debit MasterCard® card.

Agencies that are not configured to enroll new beneficiaries for the Direct Express® Debit MasterCard® card via batch or Web enrollment must direct the recipient to contact Treasury’s call center to switch from check to the Direct Express® Debit MasterCard® card within 3 months of the benefit award. Recipients who fail to do so will be contacted by Treasury within 3 to 6 months from the benefit award to enroll for Direct Express® or to apply for a waiver from the EFT requirement as outlined in subsection 2035.

2035.10—Exceptions for New Benefit Recipients

Payment by check may be granted to a new benefit recipient only in the following circumstances, in accordance with 31 CFR Part 208.

2035.10a—Automatic Waivers That Require No Further Action by the Recipient

Automatic waivers apply in the following circumstances:

- Individuals who were 90 years old or older before May 1, 2011, and who are receiving payment by check on March 1, 2013.
- Federal agencies that have not yet implemented the Direct Express® Debit MasterCard® card for their benefit payments. In such cases, if a beneficiary is unable to receive payment by direct deposit, payments need not be made by EFT unless and until the agency implements the Direct Express® Debit MasterCard® card.

- An individual whose Direct Express® Debit MasterCard® card was suspended or closed.

2035.10b—Hardship Waivers That Require the Individual To Contact Treasury for Review/Approval

A hardship waiver may apply when payment by EFT would impose a hardship on the beneficiary because of the individual's inability to manage an account at a financial institution or a Direct Express® Debit MasterCard® card account:

- Because of a mental impairment;
- OR
- Because the individual lives in a remote geographic location lacking the infrastructure to support electronic financial transactions.

Agencies may permit check payments temporarily to individuals who specifically request payment by check because of a mental impairment or geographic hardship. Under these circumstances, the agency must inform recipients that they are permitted to receive payment by check for an interim period but that they must contact Treasury about continuing to receive payment by check in the future.

Other than notifying FMS of an individual's request for a waiver, the agency is not responsible for managing the waiver process for new beneficiaries. FMS and its fiscal agent manage the waiver process.

If a new benefit recipient specifically requests payment by check because of a mental impairment or geographic hardship, the agency may direct these individuals to contact Treasury to discuss how they will receive future benefit payments. Agencies can satisfy this requirement by including language in their benefit award letters to these recipients stating that payment by EFT is required and directing beneficiaries with hardships to contact Treasury about receiving their benefits by check. Agencies may use alternative means of

communicating this information to recipients, provided the appropriate language and Treasury's telephone number are shared with the recipient. Treasury meets with each benefit agency to ensure that appropriate procedures are in place to inform new benefit check recipients of their responsibility to contact Treasury about how they will receive future benefit payments.

2035.15—Temporary Delay in EFT Enrollment

If an individual requests additional time to make an EFT decision (payment by Direct Deposit or on the Direct Express® Debit MasterCard® card), or does not have the banking information available at the time of the benefit application to enroll for Direct Deposit, the agency may permit payment temporarily by check. The agency must inform any individual who subsequently responds and requests payment by check on a permanent basis of the EFT requirement and the need to contact Treasury about continuing to receive future payments by check. Individuals who request additional time on the EFT decision and who fail to contact the agency within 3 months are contacted by Treasury and may be automatically enrolled in the Direct Express® Debit MasterCard® card program.

2035.20—Recipient Compliance

Benefit agencies should be aware that individual check recipients who fail to call Treasury as required under this section are contacted by Treasury within 3 to 6 months of their initial benefit payment and may be automatically enrolled in the Direct Express® Debit MasterCard® card program to receive their benefit payments. Agencies must ensure that any offices processing benefit payments have the appropriate systems, procedures, and accesses in place to change the recipient's payment election from check to the Direct Express® Debit MasterCard® card, upon request.

2035.25—Agency Process – Existing Benefit Recipients

Check recipients and/or individuals who applied for benefits before May 1, 2011, are required to receive payments electronically beginning on March 1, 2013.

Agencies are not responsible for managing the waiver process for existing benefit recipients. FMS manages this waiver process and contacts existing check recipients about their requirement to receive payments electronically on or after March 1, 2013.

Agencies must work with Treasury and its financial agent to develop processes to enroll current check recipients who do not wish to have their benefit payments made by Direct Deposit for the Direct Express® Debit MasterCard® card. Agencies must ensure that any offices processing benefit payments have the appropriate systems, procedures, and accesses in place to change, upon request, the recipient's payment election from check to either Direct Deposit or the Direct Express® Debit MasterCard® card.

2035.30—Changes From EFT to Check

In certain circumstances, agencies may need to temporarily switch a recipient's payment election from EFT to check if the recipient's account is closed for various reasons, such as, the recipient's decision to close the account or because the account was closed because of fraud or misuse. Under these circumstances, the agency must inform the recipient of Treasury's EFT requirement and that the recipient must make arrangements to receive payments electronically. Individuals who, under these circumstances, refuse to receive payment by Direct Deposit or on the Direct Express® Debit MasterCard® card are permitted to receive check payments on an interim basis. However, the agency must inform these recipients of their responsibility to contact Treasury about continuing to receive future

payments by check, as outlined in subsection 2035.15.

Payment by check also is permitted for one or two payment cycles in circumstances where payment by EFT cannot be made immediately after enrollment because of operational constraints. For example, agencies that cannot enroll new beneficiaries for the Direct Express® Debit MasterCard® card via a batch or Web enrollment process at the time of application must require the recipient to contact Treasury's call center to enroll, during which time the agency may need to disburse an interim check.

2035.35—EFT Disbursements – Other Than Benefit Payments

2035.35a —Vendor Payments

The Treasury EFT rule at 31 CFR Part 208, the Prompt Payment rule at 5 CFR Part 1315, and the Federal Acquisition Regulation (FAR) EFT rule at 48 CFR Parts 13, 15, 32, and 52, provide regulatory foundations on which Federal agencies can rely to implement the EFT requirement of DCIA for payments to Government vendors. The Treasury EFT rule at 31 CFR Part 208 requires that Federal payments be made electronically and does not provide waivers for vendor payments as a class of payments. Agencies may invoke waivers for a payment to a vendor under certain limited circumstances set forth below but must consult with Treasury before doing so to determine if alternative payment methods are available.

The FAR EFT rule at 48 CFR Parts 13, 15, 32, and 52, addresses the use of EFT for Federal contract payments and also provides for the collection of banking information from vendors. In particular, the FAR EFT rule provides EFT contract clauses that require Government vendors to receive payments electronically as a condition of awarding a contract. Agencies must use these EFT contract clauses in their contracts with Government vendors. The EFT contract clauses require vendors to

submit their EFT information to the agency. The agency may require this information as a condition of making the first payment.

The Prompt Payment rule at 5 CFR Part 1315 requires vendors to submit EFT information as part of a proper invoice, unless agency procedures provide otherwise. Agency procedures may require, for example, that EFT information be collected. Late interest penalties do not apply to any late payment resulting from the vendor's failure to submit proper EFT information in a timely manner.

2035.40—Miscellaneous and Salary Payments

Agencies must make all miscellaneous and salary payments by EFT unless an individual waiver under subsections 2035.10a and 2035.10b or an agency-invoked waiver under subsection 2035.45 apply.

Agencies that begin to receive individual waiver requests for miscellaneous or salary payments must contact Treasury's EFT Strategy Division at 202-874-6619 to discuss how to direct these waiver requests to Treasury's waiver call center. Agencies that experience impediments to making miscellaneous or salary payments by EFT must contact Treasury to determine if alternative means are available to make payments electronically.

2035.45—Agency Waivers

Agencies are not required to make payment by EFT when the following unique circumstances occur:

- The political, financial, or communications infrastructure in a foreign country does not support payment by EFT.
- The payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area (this waiver is limited to payments made within 120 days after the disaster is declared).

- A military operation is designated by the Secretary of Defense in which uniformed services undertake military actions against an enemy, or a call or order to, or retention on, active duty of members of the uniformed services is made during a war or national emergency declared by the President or Congress.
- A threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised.
- The agency does not expect to make more than one payment to the same recipient within a 1-year period; that is, the payment is non-recurring, and the cost of making the payment via EFT exceeds the cost of making the payment by check.
- An agency's need for goods and services is of such an unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT.

OR

- There is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT.

AND

- The agency does not expect to make payments to the same recipient within a 1-year period on a regular, recurring basis, and remittance data explaining the purpose of the payment is not readily available from the recipient's financial institution receiving the payment by EFT.

Agencies should only invoke these waivers when:

- A recipient requests a waiver;

AND

- The recipient is in the group defined for this waiver.

This is on a limited basis and the agency must discuss any proposed waiver with Treasury to determine if alternative means are available to make payments electronically. Agencies that experience impediments to making payments by EFT should contact Treasury at 202-874-6619 for assistance.

2035.50—Agency Compliance

Treasury monitors the percentage of agency payments made electronically on a monthly basis to ensure that agencies are implementing the provisions of 31 CFR Part 208 and this chapter. Treasury meets with agencies exhibiting low EFT rates to identify the impediments to EFT payments and to determine strategies to address these impediments. Agencies should document any impediments they experience making their payments by EFT to assist Treasury with this analysis.

Section 2040—Responsibility for Payments

The officer or employee who certifies a voucher is responsible for ensuring the payment is proper. Except as provided in this chapter, disbursing officers are not responsible for the propriety of payments authorized by COs. However, a disbursing officer who has knowledge that a payment is improper should not make the payment.

The procedures prescribed in Section 2045 relate to issuing payments (check and electronic) to individuals, commercial entities, nonprofit entities, and non-Federal Government departments and agencies; and deductions made from disbursement vouchers.

Section 2045—Basic Disbursement Requirements

2045.05—General Requirements

The following requirements apply to all disbursements, whether in cash or by

checks or electronic payments, issued on the U.S. Treasury or designated depository banks for authorized and lawful payments and/or refunds of amounts collected:

- Agencies must support disbursements with sufficient information on the disbursement vouchers, or on documents attached to them, to enable the audit of the transactions of certifying and disbursing officers, as required by law.
- Agencies should mark vouchers or voucher-schedules and supporting documents systematically, or manually when applicable, to prevent duplicate payments and to avoid mutilation, overwrite, inadvertent deletion, or destruction.
- If an original invoice has been lost or destroyed, the agency should obtain a duplicate from the original submitter of the invoice to support the voucher or voucher-schedule. Then, the agency may process the voucher or voucher-schedule through regular disbursement channels provided it places on or attaches to the duplicate invoice a full explanation as to the circumstances of the loss or destruction of the original invoice and a statement indicating that steps have been taken to prevent duplicate payment.

Note: Agencies should be particularly alert to the possibility of duplicating payments whenever they:

- Have delayed payments for extended periods of time after the due date.
- Have received duplicate copies of invoices from vendors as follow-up claims. (Vendors may have submitted invoices or bills to more than one agency location for payment.)
- Have received adjusted invoices after they have made payments.

2045.10—Cash Advances – Establishing Procedures for Cash Advances

It is the responsibility of grantor agencies to monitor the cash management practices of their recipient organizations to ensure that Federal cash is not maintained by them in excess of immediate disbursing needs. Agencies must establish systems and procedures to assure that balances are maintained commensurate with immediate disbursing needs, excess balances are promptly returned to the Treasury; and advance funding arrangements with recipient organizations unwilling or unable to comply are terminated.

Procedures established by agencies should:

- Specify that all contractual arrangements with recipient organizations provide that advance payments will be made only at times and in amounts necessary to meet immediate disbursing needs. This figure is calculated by the agency and should be reviewed quarterly. Agencies should conduct independent annual reviews of the balances to ensure only amounts necessary to meet immediate disbursing needs are maintained. The results of the review should be shared with Treasury.
- Monitor recipient organizations, and base evaluations on cash payments and not on accrued liabilities.
- Require, except where specifically prohibited by law, all interest earned by recipient organizations on advances from Federal funds be remitted to the agency. The agency will promptly return the funds to the Treasury.
- Immediately upon determination that an expenditure of advance funds is disallowable in accordance with the contractual

arrangement, the agency should notify the recipient and require the return of such funds. Under no circumstances should funds be returned more than 30 days from the date of the notification by the agency.

2045.15—Preventing Payments Not Covered by an Appropriation or Continuing Resolution

Excluding payrolls in certain circumstances (see subsection 2045.20), the responsibility for preventing payments not covered by an appropriation or a continuing resolution rests with the agency certifying the payment. It is the responsibility of the agency's CO to ensure that payments certified to disbursing officers are not improper. It is not the disbursing officer's responsibility to investigate the date of the underlying obligation of certified scheduled payments.

2045.20—Payrolls – General

Responsibilities for the head of each agency include the following:

- Establishing and maintaining an adequate payroll system;

OR

- Using a payroll service provider with a system for covering pay, leave, and allowances, as a part of the system of accounting and internal control required by the Accounting and Auditing Act of 1950 (31 U.S.C. 3513). This system must conform to the principles, standards, and related requirements prescribed by the Comptroller General.

The Office of Personnel Management (OPM), the Office of Management and Budget (OMB), and the Department of Labor (DOL) issue regulations related to payroll voucher preparation.

2045.25—Payroll Creation

A disbursing officer who knows an obligation was incurred when funds were not available may not disburse a certified payment voucher. This circumstance can arise particularly in the case of payrolls when it is obvious that the time of obligation occurred after the appropriation or continuing resolution lapsed. Therefore, when annual appropriations have not been enacted and there is no continuing resolution under which obligations can be legally liquidated, disbursing officers should not knowingly release payrolls that extend beyond the period provided for in the appropriation or continuing resolution. The inclusive dates of a pay period serve as *prima facie* notice to disbursing officers of the date on which the obligation was incurred. Disbursing officers should not knowingly release payrolls for any pay period extending beyond or commencing after the expiration date of an appropriation or a continuing resolution, unless the chargeable appropriation is a no-year or unexpired multiple-year appropriation.

2045.25a—Payrolls Processed for the Entire Pay Period

Sometimes the expiration date of an appropriation or a continuing resolution does not coincide with the end of a pay period. Disbursing officers may not release payrolls that include salaries and wages earned beyond the expiration date of the appropriation or continuing resolution.

2045.25b—Payrolls Processed for a Portion of a Pay Period Through the Expiration Date

Disbursing officers should make the usual advance release of payroll payments only to cover salaries and wages earned through the expiration date of an appropriation or a continuing resolution.

2045.25c—Payrolls for Pay Periods After the Expiration Date

For any partially covered pay period and all subsequent pay periods, agencies should process payrolls for salaries and wages earned beyond the expiration date of an appropriation or a continuing resolution as usual. Disbursing officers may prepare payments for such payrolls and may hold them for immediate release upon approval of an appropriation or continuing resolution.

2045.30—Claims for Deceased Employees

In 1996, the procedures and forms to be used to process claims for deceased Federal employees were transferred from GAO to OPM. In the "Determination with Respect to Transfer of Functions Pursuant to Public Law 104-53," dated June 28, 1996, the Acting Director of OMB delegated this and other transferred functions to other agencies. See 31 U.S.C. 3702 and 5 U.S.C. 5583 for claims involving Federal civilian employees' compensation and leave, and settlement of deceased employees' accounts.

2045.35—Payee Information

Agencies should uniformly follow the rules below in connection with the designation of the payee or payees of Government payments.

2045.35a—Payments to Individuals

In all cases, use the first name, middle initials, if any, and surname of the payee. Omit punctuation marks except for the use of commas to set off the names of more than two payees.

2045.35b—Payments to Joint Accounts

Agencies should carefully distinguish between using the term "joint" and "several" accounts in situations such as trust estates,

decedents' estates, trustees, executors, and administrators of the accounts.

Where two or more individuals are jointly entitled to receive the payment, the voucher should include all names as payees. Use the word "and" before the name of the last payee. Where the account is not a joint account but is held by greater than two individuals, use "or" before the name of the last payee.

Note: Do not under any circumstances designate the word "estate" as the payee, for example, "Estate of A., deceased." When the particular estate has only one trustee or one personal representative, designate the individual by name as the payee in that representative capacity, for example:

- "T., trustee u/w of A., deceased" (in the case of a testamentary trust);
- "T., trustee u/d from A. dated (date of trust indenture)" in the case of the transfer of the ownership of property between living persons (such as, inter vivos trust);

AND

- "E., executor of the Estate of A. deceased" or "A., administrator of the Estate of B., deceased" (in the case of a decedent's estate).

If the estate has several trustees or personal representatives, designate all trustees, administrators, or executors by name in their representative capacities as joint payees, for example, "A., B., and the X Trust Company, trustees u/w of D., deceased," etc.

2045.40—Corporate Trustee or Executor Is in Receivership or in the Hands of the Local Banking Department

The agency should make the payment payable to the liquidating officer (Receiver, Secretary of Banking, Commissioner of Banking, etc.) as payee. The names of the corporate trustee or executor and the estate also should appear in such designation, for example, "Secretary of Banking, in

possession of the business and property of the X Trust Company, trustee u/w of D." (This form varies according to the designation given the proper liquidating officer under the local law.)

The agency CO must be furnished a certified copy of the grant-of-letters testamentary, the will, or trust indenture stating that the intended payee is duly appointed, qualified, and acting trustee or executor. In instances where the administration of the estate is closed and the trustee or personal representative has been discharged, designate the legatees, distributees, or beneficiaries entitled to receive the payment in question as joint payees. The CO must be furnished first with a certified copy of the decree of distribution or other proper evidence from the court having jurisdiction of the particular estate showing the persons entitled to receive payment.

2045.45—Guardians of Minors

Because of differences in local law, there is no all-inclusive rule to determine the guardian to whom payment should be made. Some States require the guardian of the estate of a minor to be someone other than the guardian of his/her person, while others combine both functions in the same individual. The local law must be examined in each case. The CO must be furnished with a certified copy of the appointment that the particular individual is authorized to receive the payment on behalf of the individual's ward.

The designation of the payee may be in many forms, depending on the circumstances of the particular case. The following are three suggestions:

- "G., guardian of M., a minor";
- "G., guardian of the estate of M., a minor";
- "G., guardian of the person and estate of M., a minor."

These suggestions are not all-inclusive. In every case, designate the guardian according to title under the local law. Ordinarily, parents or persons standing in place of parents (*loco*

parentis) are not entitled to receive payments on behalf of their minor children. This question also is one of local law. Where the appointment of a guardian is not required and payment may properly be made to the parent, designate the payee in the following form: "F., father of M., a minor."

2045.50—Incompetents

As in the case of guardians of minors, the designation in this class of cases is governed by the local law according to the title given the representative, for example:

- "C., conservator of the estate of X., incompetent";
- "A. and B., committee for X., incompetent";
- "G., guardian of X., incompetent," etc.

As proof of authority to receive payment, the CO should require a certified copy of the appointment.

2045.55—Corporations

When there has been a change in the corporate name as a result of a merger, consolidation, or other proceeding, and a certificate verifying such a change has been obtained from the proper State official, the agency should draw the voucher for payment in the new name.

The agency should draw the voucher to the order of the successor company where it is established that:

- The original claimant has been dissolved;
- Its assets have been distributed to the new company;

AND

- The liquidating trustees have been discharged.

Where a company has been dissolved and its affairs are being liquidated by liquidating trustees, the designation depends on the local law. In most jurisdictions, the corporation continues for the purposes of liquidation, and it may be proper to designate the

corporation rather than the liquidating trustees as the payee. No hard and fast rule can be established to cover all such cases. Agencies should refer any uncertainties or doubts concerning the payee to be designated to the proper legal officer of the department or establishment for consideration.

2045.60—Unincorporated Associations

Agencies should make the vouchers payable to the order of the associations, using their official names. They should draw partnership vouchers in the firm's name. Agencies should refer any doubts as to form to the proper legal officer of the department or establishment for special consideration.

Section 2050—Electronic Invoicing, Invoice Processing Platform (IPP)

Agencies should consider using electronic systems and processes to streamline and improve efficiencies in Government invoicing. IPP is a secure Web-based electronic invoicing and payment information system provided by FMS. IPP allows Federal agencies to transform their existing paper-based order-to-pay processes into a streamlined electronic flow.

IPP provides a centralized location to view all transactions in the purchase-to-pay process. It transforms paper-based processes into an electronic process for both Federal agencies and their suppliers. IPP's modular design allows agencies to implement functionality in phases, according to their business needs. Federal agencies use IPP to send electronic purchase orders to vendors, to receive electronic invoices from vendors, and for invoice routing and approval workflow. IPP uploads payment remittance information from Treasury and non-Treasury disbursed agencies, allowing agencies and their suppliers to view and download payment information.

For additional information on IPP, see the Web site at <https://www.ipp.gov>.

Section 2055—Contract References

Reference contracts or agreements on the voucher by placing the contract number and the date in the spaces provided. If the agreement is unnumbered and attached to the voucher, indicate this. However, where payments are made on vouchers in favor of general supply contractors whose contracts are itemized in the Federal Supply Schedule and the item numbers covering the articles purchased are given on the face of the voucher, the contract number and date need not be shown.

The voucher prepared by the agency to support payments of this nature should show:

- The contract number also referred to as the Procurement Instrument Identifier (PIID). The PIID is a unique identifier for each contract number, agreement number, purchase number, or delivery order associated with the payment. For additional information, see the Federal Procurement Data System at <https://www.fpds.gov>.
- The period covered by the payment.
- The name of the vendor, also referred to as the "party." This must contain the full name of a payee or party, whether an individual or organization.

Note: The FAR on the Web site at <https://www.acquisition.gov/far> and the Defense Federal Acquisition Regulations (DFAR) on the Web site at <http://www.acq.osd.mil/dpapr/dars/dfars/pdf/r20091123/252225.pdf> require all contractors to be registered in the Central Contractor Registration (CCR) database before award (see the Web site at

<https://www.sam.gov/portal/public/SAM>).

- The amount of the payment and the account to be charged.
- The Procurement Agency Identifier. This is a code for a governmental agency, but it does not necessarily represent the agency that issued the contract. Instead, it serves only as part of the unique identification for the Federal Procurement Data System awards records.
- Indefinite Delivery Vehicle (IDV) Procurement Instrument Identifier. This is a code for an agency, but it does not necessarily represent the agency that issued the contract. Instead, it serves as part of the unique identification for the Federal Procurement Data System, IDV records. For awards records, it partially identifies a linked IDV record.
- IDV agency identifier. When reporting orders under IDV such as a Governmentwide Acquisition Contract, Indefinite Delivery Contract, Federal Supply Schedule, Basic Order Agreement, or Blanket Purchase Agreement (BPA), report the PIID (contract number or agreement number) of the IDV. For the initial load of a BPA under a Federal Supply Schedule, this is the Federal Supply Schedule contract number.

For additional information on activity codes, see the North American Industry Classification System at <http://www.census.gov/epcd/www/naics.html> and the Product and Service Codes Manual at <http://www.acquisition.gov/PSC%20Manual%20-%20Final%20-%202011%20August%202011.pdf>.

Note: Agencies may make payments for services of a continuing nature, such as rents, janitorial services, etc., that are performed under agency-vendor agreements providing for payments of definite amounts at fixed periodic intervals without submission of invoices

or bills by the vendor. They should establish administrative controls for ensuring that recurrent payments are:

- On unexpired contracts or agreements;
- For correct amounts;
- For services actually performed;

AND

- Not duplications of previously issued payments for the same goods and services.

Agencies should increase the number of payment items per voucher-schedule, particularly in those cases where schedules cover only one, two, or three items. They should consolidate multiple invoices or bills payable to one vendor at one office or place of business, for supplies or services rendered to Government agencies, into one payment, when possible, to reduce the number of vouchers prepared and payments issued when the due dates for the multiple bills or invoices are the same. In each case, payment in this manner must be agreeable to the vendor, and only one Government establishment may be the debtor.

Note: Agencies are encouraged to use IPP to send electronic purchase orders to suppliers, to receive electronic invoices from suppliers, and to coordinate invoice routing and approval workflow.

2055.10—Reserved for additional payment data indicators.

2055.20—Unit Prices of Gasoline or Other Petroleum Products

Where the purchases of gasoline or other petroleum products are made under contracts that provide that the unit prices must be based on tank, wagon, barge, or service station prices on the date and at the point of delivery, show such unit prices at the date and point of delivery on the invoices or vouchers as audit information.

Section 2060—Prompt Payments To Earn Discounts

When a cash discount has been offered for prompt payment, agencies should make every effort to process the invoice within the discount period, if the discount is cost effective to the Government (see TFM Volume I, Part 6, Chapter 8000: Cash Management, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p6c800.txt>). Process the invoice according to the specific terms on which the discount has been offered by the contractor or supplier. Agencies should take discounts only on those invoices that can be paid within the specified discount period and that are cost effective to the Government. For effective cash management, agencies should submit the voucher covering the payment as near to the last day of the prompt payment period as possible. Prompt Payment Act conditions are met if a check payment is dated and mailed/deposited within the period, not received by the recipient during the period. They are met for ACH and Fedwire payments if the settlement date for the payment is within the prompt pay period.

Section 2065—Assignment of Basic Voucher Numbers

The administrative processing agency assigns each voucher an identification number. This identification number can be system generated or manually entered and is used for all accounting and auditing purposes. The agency must place the number in the space identified as “Voucher No.” on standard form vouchers. This rule applies regardless of which operating or administrative unit or division of the agency has oversight of the payment. Agencies are not required to place separate disbursing office voucher numbers, as such, on vouchers except in the case of vouchers covering charges for transportation services. If, for

administrative purposes, it is necessary to assign control or accounting numbers to payment documents, these numbers are considered supplementary and subordinate to the official identification number as prescribed above. If the amounts of two or more basic vouchers or invoices due one payee may be properly combined in one payment, clearly indicate the individual basic voucher numbers in the voucher number column on the voucher-schedule, but add and list the items as a single payment.

Section 2070—Preaudit of Vouchers

Effective control over disbursements requires the preaudit and approval of vouchers before they are certified for payment. The principal objectives of the preaudit of a voucher are to determine whether:

- The required administrative authorizations for the procurement and approvals for the payment were obtained.
- Funds are available at the time the obligation is incurred. If an obligation is incurred when funds are not available, then the payment may not be certified and a payment voucher may not be disbursed.
- The payment is permitted by law and is in accordance with the terms of the applicable agreement.
- The amount of the payment and the name of the payee are correct.
- A proper Taxpayer Identification Number, Employer Identification Number, Individual Taxpayer Identification Number, or Payee ID Number, is provided for each payee.
- The payment is not a duplication.
- The goods received or the services performed were in accordance with the agreement.

- The quantities, prices, and amounts are accurate.
- All cost-effective discounts have been taken.
- All applicable deductions were made and credited to the proper account in the correct amount.
- The appropriation or fund from which the payment will be made is available for that purpose and indicated with the appropriate Treasury Account Symbol/Business Event Type Code (TAS/BETC).
- Proper forms of documentation were used.
- Special certificates, if required, were furnished.
- Specific vendor reporting entries, if required, were furnished.
- For summary schedules, the payments are submitted in conformance with the Payment Automation Manager standard format.

Note: The maximum amount for which an agency can issue an individual payment depends on the type of payment instrument. Maximum individual payment amounts for each payment instrument (checks, ACH electronic payments, and Fedwire Same Day Payments) are as follows:

- **Checks**—May be issued for maximum individual payments of up to \$99,999,999.99. Agencies are discouraged from authorizing individual check payments that are less than \$5, and agencies are prohibited from using checks to issue benefit payments. Automated check printing systems used by FMS Regional Financial Centers (RFCs) can print amounts only up to \$9,999,999.99. The RFC must manually process checks for amounts between \$10,000,000.00 and \$99,999,999.99. Agencies should attempt to use electronic payment mechanisms for all large-dollar amounts.

- **ACH electronic payments**—May be issued for maximum individual payments of up to \$99,999,999.99.
- **Fedwire Same Day Payments**—May be issued for maximum individual payments of \$9,999,999,999.99. Additionally, agencies should not use Fedwire for payments under \$100,000.00.

Section 2075—Federal Offset Program

2075.05a—Debt Collection Improvement Act 1996 (DCIA)

The DCIA requires the Federal Government to withhold or reduce certain Federal payments to satisfy the delinquent nontax debts owed to the United States by the payee. This process is known as “administrative offset.” In addition, the DCIA requires Federal agencies to identify Federal employees who owe delinquent debt to the United States, using a process known as “centralized salary offset.” The Treasury Offset Program (TOP) compares delinquent debt information with Federal salary payment information for offsetting the salary payments of those employees who owe debt to the United States.

2075.05b—Taxpayer Relief Act of 1997

This Act authorizes the Internal Revenue Service to continuously levy up to 15 percent of certain Federal payments, including Federal salary payments, to collect delinquent taxes. TOP also is used to match delinquent tax debts with Federal salary and other payments for levying the salary payments of those employees who owe delinquent taxes to the United States.

Payroll processing agencies send extract files to FMS containing payment information for all employees. FMS compares the extract file to the National Interactive Delinquent Debt Data Base, identifies matches, and transmits an electronic file containing the identified

matches and the debt balances back to the payroll processing agencies. The payroll processing agency offsets or levies up to 15 percent of disposable pay and sends the funds to FMS. FMS then sends the funds to the creditor agencies.

Section 2080—Payments to Prepaid Cards

Treasury’s prepaid card interim final rule at 31 CFR Part 210 permits Federal Government payments to prepaid cards if certain conditions are met that provide for consumer protections to the cardholders. To be eligible to receive Federal payments, a prepaid card provider must provide:

- The cardholder with pass-through deposit or share insurance;
- A card account that does not have an attached line of credit or loan feature that triggers automatic repayment from the card account;

AND

- The cardholder with all of the consumer protections that apply to a payroll card under the Regulation E (12 CFR Part 205).

No person or entity may issue a prepaid card that accepts Federal payments in violation of these requirements. Any financial institution that holds an account for a prepaid card issuer, to which Federal payments are received, is responsible for ensuring these requirements are met. Agencies should be aware of these requirements and should promptly notify FMS if they become aware of any payments being made to a prepaid card that does not comply with these requirements. If FMS becomes aware that Federal payments are being deposited to prepaid cards that do not meet these requirements, it reviews the situation and takes appropriate action. FMS may, for example, refer any violations of the EFT rule’s requirements to the appropriate regulatory bodies.

Section 2085—Central Accounting Reporting System (CARS) TAS/BETC

Effective October 1, 2014, agencies must submit the CARS TAS/BETC reporting classification at the initiation of

a payment. All Federal agencies must classify transactions to the proper component-based CARS TAS/BETC when transactions are actually initiated. Refer to the FMS Web site at <http://www.fms.treas.gov/cars> for the new component-based CARS

TAS/BETC format and requirements. Agencies should use the CARS TAS/BETC in advance of October 1, 2014, and should contact either the Chief Disbursing Officer's office or an FMS RFC for information and assistance.

CONTACTS

Direct inquiries concerning this chapter to:

Chief Disbursing Officer
Financial Management Service
Department of the Treasury
Liberty Center, Room 335
401 14th Street, SW.
Washington, DC 20227
Telephone: 202-874-6800

Payment Management
Financial Management Service
Department of the Treasury
Liberty Center, Room 358
401 14th Street, SW.
Washington, DC 20227
Telephone: 1-855-868-0151

Part 4A—Chapter 3000

REQUIREMENTS FOR SCHEDULING PAYMENTS DISBURSED BY THE FINANCIAL MANAGEMENT SERVICE (FMS)

This chapter prescribes requirements for disbursing transactions, and scheduling and classifying domestic and international payments that FMS disburses, as authorized by the Department of the Treasury (Treasury).

Section 3010—Scope and Applicability

This chapter includes procedures and forms needed to:

- Inform FMS of the Head of Agency;
- Delegate designation authority to designating officials;

AND

- Designate individuals to the positions of certifying officers (COs) for the Secure Payment System (SPS) and the Automated Standard Application for Payments (ASAP); SPS Data Entry Operators (DEO); and designated agents.

This chapter only applies to those agencies for which FMS provides disbursing functions.

Section 3015—Authority

31 U.S.C. 3321

Section 3020—Definition of Terms

Accommodation Exchange Transaction—The authorized exchange of equivalent monetary values in different forms to authorized persons, for

example, foreign currency in exchange for U.S. dollar check(s).

Accountable Officer—A U.S. Government official or employee who, on behalf of the United States, receives and maintains public funds, certifies vouchers, or maintains or draws checks on accounts of the United States, including those in depository banks designated by the Secretary of the Treasury.

Agency—Includes each Federal agency certifying payment voucher-schedules to Treasury Regional Financial Centers (RFCs) for payment, and each Federal agency using ASAP.

Agency Location Code (ALC)—A numeric symbol used to identify Federal agency accounting stations and Treasury's RFCs. The ALC consists of an eight-digit agency accounting station code or a four- or three-digit number indicating a specific Treasury RFC. To make disbursements, Federal agencies must have an ALC that is designated for disbursement and has been activated at a minimum of at least 1 business day in advance of submission of a payment file.

Bank Balance—The actual balance of U.S. Government funds held in accounts in financial institutions (as opposed to the checkbook balance).

Delegation—Documentation submitted to FMS by an agency, usually by means of FMS 2958: Delegation of Authority,

notifying FMS of the delegation (transfer) of authority to make designations of disbursing-related authority. The right to further delegate (redelegate) such authority also may be included in such delegations.

Designated Depository—A financial institution designated by Treasury to maintain specified U.S. Government accounts in specified foreign countries and in U.S. territories and possessions.

Designating Officials—Individuals for whom a Head of Agency delegation has been presented to FMS, and individuals to whom designation authority has been delegated by the Head of Agency or other official to whom designation authority has been delegated.

Designation—Documentation submitted to FMS by an agency, usually by means of FMS 210 series forms (see the definitions below), notifying FMS of the selection or appointment of an individual to perform a specific disbursement-related function.

Effective Date of Delegation/Designation—Date from which FMS calculates the period until the delegation or designation expires, normally 2 years. It is the latter of the effective date requested by the agency on the form or the date FMS accepts the form. For example, if the agency requests an effective date of March 3, 2012, and FMS actually accepts the form on March

7, 2012, the effective date would be March 7, 2012. If the agency requests an effective date of May 20, 2012, and FMS accepts the form on May 5, 2012, the actual effective date would be May 20, 2012.

FMS 210 Series Forms—A series of FMS forms used to designate specific individuals to perform specific disbursement-related functions. These forms include:

- FMS 210CO: Designation for Certifying Officer;
- FMS 210DA: Designation for Agent To Receive and Deliver Checks;

AND

- FMS 210DEO: Designation for SPS Data Entry Operator.

Foreign Currency—Any currency other than the U.S. dollar.

Foreign Exchange—The system by which one currency is exchanged for another. This enables international transactions to take place.

Head of Agency—When used in relation to delegations of authority, interpreted to mean the head of an executive agency, as appointed by the President of the United States. Heads of Agencies may include secretaries of departments, administrators of administrations, and commissioners of commissions. At the discretion of Treasury's Chief Disbursing Officer (CDO), Head of Agency delegations may be accepted from lesser authorities in an agency, such as bureau heads and agency and/or bureau Chief Financial Officers (CFOs).

Prevailing Rate of Exchange—The most favorable rate legally available to the U.S. Government for the acquisition of foreign exchange for U.S. Government official disbursement and accommodation exchange transactions.

Spot Rate—The price of foreign currencies for delivery in 2 business days.

Standard Form (SF) 1195: Recommendation for Designation and Revocation of Agent To Receive and Deliver Checks and Savings Bonds—

Used to designate designated agent(s), by position title, to receive and deliver checks.

Unfunding—The authorized borrowing by an accountable officer of restricted foreign currency from specific agency program accounts for the purpose of meeting current U.S. Government obligations, and replacing the foreign currency when needed for the purposes for which it was originally set aside. (31 U.S.C. § 5303)

Value Date of Foreign Currency Purchase—The date when the foreign currency proceeds of a commercial purchase are available in the form of cash or are deposited and credited to the accountable officer's operating account at a financial institution designated by Treasury.

Section 3025—Head of Agency Delegation

The Head of Agency uses a self-delegation to provide FMS with a basis for validating all subsequent delegations and designations from that agency. The Head of Agency self-delegation is accomplished using FMS 2958: Delegation of Authority. All authority to expend agency funds, and to certify the disbursement of such funds through a Treasury disbursing office, resides with the Head of Agency of the agency for which funds are to be disbursed. The Head of Agency may delegate the authority to certify the disbursement of agency funds to a duly designated CO. The authority to delegate certification authority also may be delegated to duly assigned individuals. No delegating official, other than the Head of Agency, may self-designate himself or herself as a CO or make any other disbursing function self-designation for the agency. Head of Agency delegations automatically have all delegation and designation authorities listed on the FMS 2958.

Use the FMS 2958 to submit the Head of Agency delegation. The agency must submit the Head of Agency FMS 2958 with a signed transmittal letter,

bearing the official agency seal, indicating that the individual is the Head of Agency.

Head of Agency delegations are valid for a period of 2 years from the effective date, unless revoked earlier.

When a Head of Agency delegation expires or is revoked, this action has no effect on the delegations and/or designations that were made by the Head of Agency while the delegation was valid. For example, if a properly designated Head of Agency signed an FMS 210CO designation on April 4, 2008, and subsequently left and ceased to be the Head of Agency on April 6, 2008, the CO designation would remain valid for the normal 2-year effective period.

When an individual for whom a Head of Agency delegation is on file with FMS departs the Head of Agency assignment, or otherwise becomes ineligible (through reassignment, retirement, death, etc.) to act as the Head of Agency for disbursement purposes, the succeeding Head of Agency should submit an FMS 2958 to FMS revoking the Head of Agency delegation of the departing or ineligible designee. Alternatively, the departing Head of Agency may submit the revocation. The agency must complete and submit to FMS a separate FMS 2958 for the new Head of Agency.

For expiration, revocation, and renewal information, see Sections 3070 and 3075, respectively.

Section 3030—Delegations of Designation Authority

Delegations of designation authority are made to individuals designated to exercise designation authority for the Head of Agency. Such delegations must be for specific authorities as noted on the FMS 2958. For each authority delegated, the agency must specify whether the authority may or may not be redelegated. No delegating official, other than the Head of Agency, may self-designate himself or herself as a CO for the agency.

Section 3035—Non-Head of Agency

A non-Head of Agency is an individual who has been delegated authority by the Head of Agency to designate COs.

Use the FMS 2958 to delegate authority to a non-Head of Agency. Completion of FMS 2958 for a non-Head of Agency is identical to completion of FMS 2958 for Head of Agency, except the individual signing the FMS 2958 as a delegator must have a valid FMS 2958 on file with FMS with redelegation authority for the functions being delegated (that is, the FMS 2958 that delegated authority to the individual submitting additional FMS 2958 and FMS 210 series forms must have authorized the delegation).

Non-Head of Agency delegations are valid for a period of 2 years from the effective date, unless revoked earlier. The handling of expiration and revocation of non-Head of Agency delegations is identical to that of Head of Agency delegations.

Section 3040—Designation of CO

COs are individuals to whom authority to approve disbursement of agency funds has been delegated by a properly authorized designating official. The designating official must have a valid FMS 2958 on file with FMS providing authority to designate COs for the agency. Officials, other than Heads of Agencies who are delegated designation authority for COs may not designate themselves as COs. When it is necessary for such an individual to be designated as a CO, a different, currently authorized designated official with a valid FMS 2958 on file with FMS must make the designation.

Note: COs authorized to certify payments to Treasury may not be designated as SPS DEOs for the same ALC (that is, a DEO and a CO may not be the same individual for the same ALC).

Use the FMS 210CO to designate agency COs. Enter at least one ALC in Section I of the FMS 210CO. In all cases, the ALCs listed on the form must correspond to the department, agency, and bureau or office for which the delegator or designator shown in Section IV of the forms has authority to delegate or designate.

A CO designated with SPS, ASAP, or International Treasury Services (ITS) authority is issued a Public Key Infrastructure (PKI) credential. SPS, ASAP, and ITS have application specific requirements for obtaining PKI credentials. Once the PKI is issued, the CO can use it in all payment applications (SPS, ASAP, and ITS). For additional information on SPS see Section 3085. For additional information on ASAP and ITS requirements, see subsections 30115.10a and 30115.10e, respectively.

Note: SPS, ASAP, and ITS, are level 3 “Medium” level of assurance (physical/hand devices).

At the time of designation, the agency should advise the CO of his or her legal responsibilities to certify voucher-schedules according to 31 U.S.C. § 3521, as amended and as outlined in the FMS publication, *Now That You're a Certifying Officer* (<http://www.fms.treas.gov/tfm/vol1/CertifyingOfficer.pdf>).

Disbursing officers (DOs) may not accept payment voucher-schedules from a newly designated CO until the effective date of the FMS 210CO for that CO. DOs may accept for payment only those payment voucher-schedules that contain the same organizational designation ALC and CO's manual signature as those shown on the CO's FMS 210CO. For payment voucher-schedules submitted using SPS, DOs may accept for payment only those payment voucher-schedules containing the same organizational designation ALC as those shown on the CO's FMS 210CO, as well as the valid electronic signature of the CO. In all cases, the ALC listed on the payment voucher-schedules must correspond to the department, agency, or establishment,

and bureau or office shown on the FMS 210CO for that CO.

CO designations are valid for a period of 2 years from the effective date, unless revoked earlier.

For expiration, revocation, and renewal information, see Sections 3070 and 3075, respectively.

Section 3045—Designation of SPS DEO

An SPS DEO is an individual to whom authority to create and modify SPS payment requests to Treasury's RFCs has been delegated by a properly authorized designating official with a valid FMS 2958 on file with FMS.

Note: An individual may not be designated as both an SPS DEO and a CO for the same ALC.

A DEO designated with SPS authority is issued a PKI credential. SPS has application specific requirements for obtaining PKI credentials.

For expiration, revocation, and renewal information, see Sections 3070 and 3075, respectively.

Section 3050—Designation of Designated Agent To Receive and Deliver Checks

Designated agents are individuals to whom authority is delegated to receive and deliver Treasury checks drawn on agency funds. Treasury prefers that agencies schedule all payments to be made by Direct Deposit to recipients' accounts instead of paper checks. However, under some circumstances, it may be necessary for an agency to pick up or receive checks from a Treasury RFC, upon DO approval, for direct delivery to the payee/recipient.

Use FMS 210DA to designate a specifically named designated agent to receive and deliver checks for the agency. Before submitting the FMS 210DA, the agency must arrange for delivery/pickup of checks for the

designated agent with the Treasury RFC that will issue the checks.

The agency should enter the ALC corresponding to the department, establishment, or agency, and the bureau or office for which the designated agent will receive checks. When an individual is designated to receive checks for another organization, a separate FMS 210DA is required for that department or bureau.

At the time of designation, the agency should advise the designated agents of their legal and ethical responsibilities.

For FMS 210DA, the designated agent designations are valid for a period of 2 years from the effective date, unless revoked earlier. Designations not renewed by their expiration date are void as of that date, and that individual will no longer be allowed to receive checks on behalf of the agency.

For expiration, revocation, and renewal information, see Sections 3070 and 3075, respectively.

Section 3055—Designation by Position Title

Note: SF 1195 is discussed here only for the purposes of designating a particular position as an agent to receive and deliver checks issued by FMS.

Use the SF 1195 to designate a particular position as a designated agent to receive and deliver checks. SF 1195 is available electronically. See the appendices listing for an electronic link to the SF 1195.

It is critically important that the submitting agency accurately and completely fill in all applicable sections of the SF 1195. All signatures must be in black, nonerasable ink, and must be the official signature of the individual signing. Do not use nicknames. The signatures must be constrained to the blocks provided with no extraneous markings.

Before submitting the SF 1195, the agency must arrange for delivery/pickup of checks by the designated agent with

the Treasury RFC that will issue the checks. The submitting agency must complete Section I, as follows:

- Enter the name and location of the disbursing office that will be releasing checks to the designated agent.
- Enter the ALC(s) for which checks will be delivered by the designated agent.
- Enter the position title, agency, and address of the designated agent.

AND

- Select the Checks block.

An authorized designating official, with an active FMS 2958 on file with FMS, must sign the form as the recommending officer.

The agency should:

- Retain a copy. This may be a Portable Document Format (PDF) version of the signed form.

AND

- Forward the original signed form to FMS (see the address on the Contacts page).

Upon receipt, FMS:

- Verifies the designation;
- Enters the name of the current incumbent of the position;
- Signs the form;

AND

- Returns a photocopy of the signed form to the designating official, at the address provided in Section I of the form, with an acceptance label affixed to the back.

The agency's receipt of the photocopy of the completed form from FMS signifies FMS's acceptance. After receiving the photocopy, the designating official should verify the contents of the photocopy of the form returned by FMS against the retained photocopy to ensure that no alterations occurred. FMS also sends a photocopy of the accepted SF 1195 to the Treasury RFC that will issue the checks.

Note: The designating official should provide a copy of the completed SF 1195 to the incumbent of the position designated as a designated agent. At the time of designation, the agency should ensure that designated agents are advised of their legal and ethical responsibilities.

For SF 1195s that are rejected, FMS returns the original form to the designating official, at the address provided in Section I of the form, with a rejection label affixed to the back of the form and a rejection report explaining the reason for rejection.

The designated agent, by position title, designation is valid until revoked. When a designated agent, by position title, designation is no longer required, the responsible designating official should send an SF 1195 revoking the designation of the position title designation to FMS (see the Contacts page). FMS processes the revocation and sends a photocopy of the revocation to the Treasury RFC at which the checks were picked up. Revocations are effective on the latter of the effective date requested by the agency on the form or the date that FMS receives and processes the revocation.

When using the SF 1195 to document a revocation, the submitting agency must complete Section I of the form.

Section 3060—General Form Instructions for Delegations and Designations

All forms are available electronically. See the appendices listing for electronic links to these forms. (See Appendices 1 through 5 for sample copies of the forms and instructions.)

Agencies use FMS 2958 to establish the Head of Agency authority and to delegate designation authority. They use the FMS 210 series forms to designate individuals to perform specific disbursing-related functions.

FMS uses the FMS 2958 and FMS 210 series forms as sources of sample signatures for signature validation. FMS

stores optically scanned electronic images of sample signatures for use by all Treasury RFCs. Also, these forms may be used for manual validation of certifying signatures on payment voucher-schedules.

Consequently, it is critically important that the submitting agency accurately and completely fill in all applicable delegation and designation forms. Agencies must complete forms in the following manner:

- The individual to whom authority is being delegated or who is being designated must manually sign all four signature blocks on the delegation or designation forms in black, nonerasable ink.
- All delegation and designation forms must bear four original manual signatures.
- All signatures must be the official signature of the authorized individual. Do not use nicknames.
- The signatures must be constrained to the blocks provided with no extraneous markings. FMS rejects forms with facsimile signatures or any evidence of erasures, corrections, or alterations.
- The delegator or designator block in Section IV must be signed by the Head of Agency or other official who has been lawfully delegated delegation or designation authority for the function being delegated or designated.
- The delegator or designator signature must be in black nonerasable ink and must be wholly within the signature block provided with no extraneous markings.

After completing the form, the agency should:

- Retain a copy. This may be a PDF version of the signed form.

AND

- Forward the original signed form to FMS (see the Contacts page, or the top left-hand corner of the form, for the address to use).

Note: For Head of Agency delegations, agencies must submit the FMS 2958 with a signed transmittal letter, bearing the official agency seal, indicating that the individual is the Head of the Agency.

On receipt, FMS verifies the delegation or designation. If the form is accepted, FMS:

- Signs the form.
- Makes a copy. This may be a PDF version of the signed form.
- Affixes an acceptance label to the back of the form (except for Head of Agency delegations, which do not have an acceptance label but are signed in Section VI).

AND

- Returns the form to the delegator or designator at the address provided in Section V of the form.

The agency's receipt of the completed form from FMS signifies FMS's acceptance. After receiving the form, the delegator or designator should verify the contents of the photocopy returned by FMS against the retained photocopy to ensure that no alterations occurred.

At the time of designation, the agency should advise the designees of their responsibilities as noted in applicable Treasury directives and outlined in the FMS publication, *Now That You're a Certifying Officer* (<http://www.fms.treas.gov/tfm/vol1/CertifyingOfficer.pdf>).

Section 3065—Rejections

FMS returns FMS 2958s that fail FMS verification to the submitting agency with an explanation for the rejection.

For FMS 210 series forms that are rejected, FMS returns a copy to the

designating official, at the address provided in Section V, with a rejection label affixed to the back of the form and a rejection report explaining the reason for rejection.

Section 3070—Expiration and Revocation

Delegations and designations are valid for 2 years unless revoked earlier. Two months before expiration of the delegation or designation, FMS notifies the delegator or designator of the pending expiration of the delegation or designation by mailing a Letter of Notification of Pre-Expiration to the address listed in Section V of the FMS 2958 or FMS 210 series form that documented the delegation or designation.

Delegations and designations not renewed by their expiration date become void as of that date, and no further delegations or designations, certifications, etc., will be accepted from the individual. FMS notifies agencies of expired delegations and designations via a Letter of Notification of Expiration mailed to the delegating or designating official at the address provided in Section V of the original delegation or designation form. Once a delegation or designation expires, the agency must submit a new delegation or designation form to FMS to reinstate the authority for that individual.

When an individual for whom a delegation or designation is on file with FMS departs or otherwise becomes ineligible to act (including through reassignment, retirement, departure, death, etc.), a responsible delegating or designating official should forward to FMS the appropriate FMS 2958 or FMS 210 series form revoking the delegation or designation of the departing or ineligible designee. Revocations are effective as of the latter of the effective date requested by the agency on the form or the date FMS accepts the revocation form.

When using the FMS 2958 or FMS 210 series form to document a revocation, the submitting agency must complete Sections I, II, IV, and V of the form. Revocation forms do not require sample signatures of the individual whose authority is being revoked (Section III), but they must be signed in Section IV by the Head of Agency or other official who has been lawfully delegated designation authority for the function being revoked.

Section 3075—Renewals of Delegations and Designations

Agencies may renew delegations and designations by submitting the appropriate FMS 2958 or FMS 210 series form with the Re-Delegation or Re-Designation block checked. FMS does not accept photocopies of a previously submitted FMS 2958 or FMS 210 series form with the Re-Delegation or Re-Designation block checked.

Alternatively, agencies may renew designations of individuals (CO, SPS DEO, designated agent) that are about to expire and for which there are no changes in the details of the designation, by having an active, authorized designating official with authority to designate complete the For Renewal Only portion of the Letter of Notification of Pre-Expiration, and returning it to FMS at the address specified in the letter.

Agencies also may renew designations that are about to expire, and for which there are no changes in the details of the designation, by submitting an agency initiated Letter of Renewal, signed by an active, authorized designating official. Agency-initiated Letters of Renewal must:

- Be on the agency's letterhead;
- Provide the name, type of designation, authorized ALCs, agency/bureau/division identification for the individual, and requested renewal date;

AND

- Be signed by a designating official with a valid FMS 2958 on file with FMS providing designation authority for the type of designation being renewed.

Agencies may use an agency initiated Letter of Renewal to renew multiple designations at the same time. They may not use Letters of Notification of Pre-Expiration and agency initiated Letters of Renewal to renew delegations of designation authority. Delegations of designation authority may be renewed only on FMS 2958.

Agencies must renew designations for which the details have changed, or for which the designee's signature has altered significantly since the last designation, by submitting a new original FMS 210 series form for the designee.

Section 3080—Reorganizations

FMS verifies FMS 2958 and FMS 210 series forms for signature, title, and organization. Therefore, if an organization's name or if titles within an organization change, the agency must redelegate/redesignate authority to all affected positions. This re delegation/redesignation must be initiated at a level above the areas affected by the organizational or title changes. On such re delegation/redesignation forms:

- Check the Re-Delegation or Re-Designation block (as appropriate);

AND

- Note the word "Reorganization" in the Name block in Section II of the form(s).

Section 3085—Certification of Payments to Treasury

3085.10—ASAP

All Federal funds in ASAP accounts are preauthorized by Federal agency COs with active records in FMS. For information on ASAP agency rules,

procedures, user requirements, and format, see the FMS Web site at <http://www.fms.treas.gov/asap>.

3085.20—SPS

SPS is a system Federal agencies that disburse through Treasury must use to create payment voucher-schedules. This system allows designated Federal Program Agency (FPA) personnel to create, certify, and submit payment voucher-schedules to FMS over a browser/Web interface in a secure fashion with a strictly enforced separation of duties.

FPA's are required to use SPS to create payment voucher-schedules. Same-day and small-volume next-day payments initiated through SPS or ITS/RFC, and the Payment Automation Manager (PAM) large-volume or bulk files must be certified through SPS using the system-generated SPS SF 1166: Voucher and Schedule of Payments for Summary Schedule.

Two different user types are required and responsible for an FPA to submit schedules to SPS. First, a DEO with an active designation on file at FMS creates a schedule and submits the schedule for certification. Then, a CO with an active designation on file at FMS examines the schedule and, upon verification, certifies the schedule, which results in the schedule being submitted to FMS.

For information on the rules governing users, agency requirements, and file formats, see the FMS Web site at <http://www.fms.treas.gov/sps/index.html>.

The Government Accountability Office has approved SPS for satisfying the signature requirements for certification contained in 31 U.S.C. 3325 and 3528.

Section 3090—Governmentwide Accounting

Before October 1, 2014, agencies report payment disbursements to an appropriation on their FMS 224s: Statements of Transactions. All disbursement transactions are reported

by each FMS disbursement system to the Central Accounting and Reporting System (CARS). Disbursements are processed to the ALC provided on the payment certification. The reports contain information on each payment disbursed including U.S. dollar equivalent, wire/check number, payment amount, and settlement date. For more information, see TFM Volume I, Part 2, Chapter 3300, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c330.pdf>.

For foreign currency, agencies receive confirmation of the disbursement of foreign currency payments and the amounts of the U.S. dollar equivalent of those payments. In CARS, these foreign currency payments are coded with an "X." Additionally, the FMS processing team mails a payment detail report for the foreign currency payments disbursed to the address of the ALC provided on the SF 1166.

After October 1, 2014, agencies must submit the CARS Treasury Account Symbol (TAS)/Business Event Type Code (BETC) reporting classification at initiation of the payment. Agencies that process file based payments to ITS.gov will be required to submit payment data using the ITS.gov standard file format. The ITS.gov standard file format will incorporate TAS/BETC information.

All Federal agencies using Treasury disbursing office services, with the exception of ASAP and ITS.gov, will be required to submit payment data using the Payment Automation Manager (PAM) standard input format. The PAM standard input format will provide TAS/BETC information.

For ASAP, agencies will be required to define a TAS distribution method for each ASAP account. Additionally, agencies will be required to define at least one TAS/BETC and one return TAS/BETC for each ASAP account. ASAP will use the TAS distribution method and TAS/BETCs defined on an account to apply TAS/BETCs for each payment drawn from the given account. Additionally, ASAP will apply the return TAS/BETC defined on an account for

each returned payment credited to the given account.

Agencies are required to use a valid TAS/BETC combination and to subsequently reclassify in CARS when appropriate. The Shared Accounting Module (SAM) Web site at <https://www.sam.fms.treas.gov/sampublic> provides FMS reference data for TAS/BETCs.

Note: Any transaction with invalid TAS/BETCs will be rejected or classified to a default TAS/BETC that has been set up by the agency in SAM. Agencies must reclassify defaulted transactions to the proper TAS/BETC in the Classification Transaction Accountability (CTA) module of CARS by the third workday after monthend or it will negatively impact the quarterly scorecard that is sent to agencies' CFOs.

Section 3095—Instructions to FPAs for Emergency Certification of Payments When the SPS Is Unavailable

Periodically, an FPA may need to certify payments "manually" because either SPS is unavailable or SPS is available but the FPA cannot access it.

Procedures for emergency certification of payments apply to bulk files and summary certifications only.

The FPA requests permission from the Director, RFC, or designee, to use the manual certification procedure. After permission is received, the FPA requester sends the manual certification by fax or as a scanned file via email to the RFC. The FPA requester must have a current, valid FMS 210 or FMS 2958 on file with FMS and should be a CO or designating official. The signature must be verifiable against the signature on the FMS 210, under which the FPA requester was designated.

The RFC provides a one-time-use password to the FPA requester who signed the FMS 210CO (see the above paragraph). This one-time-use password adds a degree of security to the

transaction. In addition, the requirement for password use in emergencies also can be used to rebut auditor queries. If the password is issued via email, the RFC sends it from the official FMS (@.fms.treas.gov) email account to the recipient's official Government (.gov) email account, whenever possible (some national security and law enforcement users may be unable to provide ".gov" email addresses).

If requested, FMS provides a blank SF 1166 to the FPA. The SF 1166 also is available on the SPS Web site at <http://www.fms.treas.gov/sps/index.html>.

The FPA submits by fax or email a completed SF 1166 with the one-time password entered in the "Password" block.

For CARS TAS/BETC reporting, the RFC encourages FPAs to use a valid TAS/BETC combination and to reclassify in CARS subsequently. The SAM Web site provides FMS reference data for TAS/BETCs. It is available on the FMS Web site at <https://www.sam.fms.treas.gov/sampublic>. Although the RFC normally rejects certifications if the sum of the TAS/BETCs in the certification does not match the certification total dollar amount, it does not reject emergency certifications. Agencies must ensure proper classification in their CARS account statement.

FMS rejects the SF 1166 if:

- The CO is not on file, or the signature does not match the form on file.
- The dollar and/or item count does not match the payment file.
- The password is missing or erroneous.
- Any required field (Schedule Number, Control Number, requested date of payment, ALC, at least one valid TAS/BETC) for FMS processing (Payments, Claims and Enhanced Reconciliation; Treasury Check

Information System; CARS, etc.) is missing or invalid.

- There are other errors or discrepancies at the DO's or designee's discretion.

Before processing files in PAM, FMS manually certifies the validity of the entries.

Section 30100—Submission of Bulk Files


PAM, a mainframe-based software application, is used to disburse payments through FMS. PAM standard format is the method for agencies disbursing payments through FMS to report TAS/BETC and other transaction information.

Agencies with payment types that have not been converted to PAM must use the legacy payment formats. However, by October 1, 2014, all agency payments must be sent through PAM.

30100.10—PAM Standard Format: Input File Specifications –

Standard Payment Request  (171 kb)

30100.20—PAM Agency Connect Direct Notification:

Output File Specification – Agency Notification (Connect: Direct)  (270 kb)

Section 30105—FMS Payments Processed Through Offset

The Debt Collection Improvement Act of 1996 (DCIA), codified in pertinent part at 31 U.S.C. § 3716, requires Federal disbursing officials to withhold all or part of Federal payments made to persons who owe delinquent nontax debts in order to satisfy the debts. This process is known as “offset.” FMS has issued regulations governing offset of Federal payments to collect delinquent nontax debt at 31 CFR 285.5. Authority for collecting delinquent tax debts through the continuous levy of

certain Federal payments can be found at 26 U.S.C. § 6331(h).

Note: Same-day payment requests, which also are referred to as Fedwire, are not directly offset through the Treasury Offset Program (TOP). However, SPS is required to determine if payees of same-day payment requests have active delinquent debts in the TOP database. If the tax identification number (TIN) on a Fedwire payment matches a TIN with an active delinquent debt, the creation of a same-day payment is blocked. When a same-day payment is blocked and the DEO has not indicated that the payment is not eligible for offset, the agency should proceed to recreate the payment using a different payment type (check or ACH), which can be processed through the existing offset process.

Section 30110—FPAs Requesting a Payment To Be Held, Canceled, or Intercepted

All FPAs requesting a payment to be held, canceled, or intercepted must submit the request form by fax or email using the FMS 7037: Payment Hold, Cancellation, and Intercept Request Form. At a minimum, the request must include the following items:

- The signature of the CO. The signature must be verifiable against the signature listed on the FMS 210 form series.
- Date the CO signed the request for payment to be held, canceled, or intercepted.
- Date of payment.
- Total dollar amount to be held, canceled, or intercepted.
- Number of payments.
- ALC.
- Original schedule number.
- Specific electronic payment information: payee name, payment financial institution and routing and transit number, payee account number, dollar amount, or, if applicable, payee card

account information and dollar amount.

- Specific check payment information: payee's ZIP code, name of payee, dollar amount, and payee address.

Note: There is a very limited time between receipt and processing of an agency payment request in PAM. On the date of payment, once PAM has matched a payment request and corresponding certification, a payment may not be held, canceled, or intercepted.

30115—Payment Types

30115.10—Electronic Funds Transfer (EFT) Mechanisms

Agencies should use the EFT mechanisms prescribed below to comply with the EFT provisions of 31 CFR Part 208.

30115.10a—ASAP

ASAP is the replacement for the letter-of-credit funding technique, which is no longer used by Treasury to fund advances to State and local governments, educational institutions, international institutions, and any other public or private organizations. ASAP is an all-electronic payment and information system through which organizations receiving Federal funds can draw from accounts preauthorized by Federal agencies. ASAP can also be used to make time-sensitive payments to financial agents who are performing financial services for FMS and other Federal agencies. ASAP ensures greater efficiency, effectiveness, and equity in the exchange of funds between the Federal Government and the States, as required by the Cash Management Improvement Act of 1990. Federal agencies establish and maintain accounts in ASAP to control the flow of funds to recipient organizations. Federal agencies enter spending authorizations into their ASAP accounts in accordance with their program needs and schedules, and the recipient organizations initiate payment

requests through ASAP to meet cash needs to administer these respective programs. ASAP can be used to deliver payments by ACH or Fedwire. For more information on ASAP, see the FMS Web site at <http://www.fms.treas.gov/asap>.

30115.10b—Direct Deposit

Direct Deposit is Treasury's preferred disbursement mechanism for all classes of Federal payments. Direct Deposit is an electronic payment alternative that uses the ACH network. Agencies can make payments to individuals or businesses. Payment types include Federal employees' salaries, vendor, travel advances and reimbursements, recurring benefits, and other miscellaneous expenses. Payments to businesses often include an addendum record that provides information about the payment. The recipient uses this information to update the accounts receivable system and/or to reconcile outstanding invoices.

30115.10c—Direct Express® Debit MasterCard®

Direct Express® Debit MasterCard® is a prepaid debit card offered to Federal benefit recipients who wish to receive their benefits electronically. The debit card offers the convenience and security of using electronic transactions to spend and access money rather than using cash for purchases. Recipients do not need to have a bank account to sign up for the card. The Direct Express® Debit MasterCard® is available only to individual Federal benefit recipients. For more information on the Direct Express® Debit MasterCard®, see the Web site at <http://www.usdirectexpress.com>.

30115.10d—Fedwire

Fedwire is an electronic transfer system developed and maintained by the Federal Reserve that allows an agency to make payments with a same-day settlement. This payment mechanism is intended for high-dollar, low-volume

payments that must be paid the same day the payment is requested. Because Fedwire is a more costly payment mechanism for both FMS and the payment recipients, TFM Volume I, Part 6, Chapter 8000, Section 8040, states that agencies should use Fedwire only for payments of \$100,000 or greater and/or for emergency purposes.

30115.10e—ITS.gov

ITS.gov enables Federal agencies to issue U.S. dollar and foreign currency payments electronically using the ACH network, Fedwire, and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to nearly 200 foreign countries. Additionally, ITS.gov enables agencies to issue international U.S. dollar wire transfer payments without a corresponding U.S. financial institution. Agencies should use ITS.gov to make foreign benefit, payroll, vendor, and miscellaneous payments electronically. For more information on ITS.gov, see the FMS Web site at <http://www.fms.treas.gov/itsgov>.

30115.10f—Stored-Value Cards (SVCs)

SVCs are smart cards with an embedded computer chip that contain electronic monetary value. The technology eliminates coin, currency, scrip, vouchers, money orders, and other labor-intensive payment mechanisms associated with closed Government locations, such as military bases and ships at sea. Agencies should use SVC to improve cash management in these closed environments. For more information on the SVC, see the FMS Web site at <http://www.fms.treas.gov/storedvalue>.

30115.10g—U.S. Debit Card

The U.S. debit card is a magnetic stripe bankcard that can be used by Federal agencies to make payments to individual recipients. Agencies can load the card with any amount of value before issuing it to a recipient. Once issued to the

recipient, the recipient can use the card to access cash at automated teller machines or to make purchases at point-of-sale locations. The card can be used as a disposable payment mechanism that can be discarded after a fixed amount is spent by the recipient. The card also can be used as a reloadable payment mechanism if the agency wishes to make multiple payments to the recipient on the card. Agencies can use the U.S. Debit Card to replace third-party drafts and cash for any payment except benefit payments, and/or where instant issuance is necessary, such as payments for disaster relief. For more information on the U.S. Debit Card, see the FMS Web site at <http://www.fms.treas.gov/debitcard>.

Section 30120—Reserved for new technologies.

Section 30125—Foreign Currency Payments

To process a foreign payment through ITS.gov, the requesting Federal agency accesses the online application and enters manual or file-based payments. Federal agencies entering payments into ITS.gov must certify these payments at a summary level in SPS. For additional information regarding enrolling in ITS.gov, see the FMS Web site at <http://www.fms.treas.gov/itsgov>.

Federal agencies that are unable to access ITS.gov can request a foreign payment to be processed on their behalf by FMS. They can request foreign currency and U.S. dollar wires or foreign currency checks by submitting an SPS SF 1166. Before submitting a request for the disbursement to a foreign bank, an agency must have an active FMS 210: Designation for Certifying Officer. The SPS SF 1166 is available on the SPS Web site at

<http://www.fms.treas.gov/sps/index.html>.

Agencies should contact the FMS ITS.gov staff for current detailed instructions for processing a manual SF 1166 request for foreign payment. Agencies can reach this group by calling 816-414-2100. The FMS staff confirm that the currency required is supported and provide the instructions and forms needed to submit a request.

30125.10—Scheduling SF 1166 for Foreign Currency Payments

An SF 1166 may contain either wire payments, EFT, or check payments, but **not** together. A separate SF 1166 is required for each type of payment. When completing the SF 1166, clearly indicate the stated payment amount and whether the payment is to be made as a “wire payment,” an “EFT payment,” or a “check payment.”

When more than one payment is being issued in the same foreign currency, list as many payees as possible on each SF 1166. If multiple payments are required and are being issued in different currencies, create a different SF 1166 for each currency required. To initiate a wire, EFT, or check payment, use the SF 1166 form to supply FMS with the information listed in subsections 30125.10a and 30125.10b for ITS wire, EFT, and check payments, respectively. FMS rejects and returns any SF 1166 that does not include all the information listed in these subsections.

30125.10a—ITS Wire and EFT Payments

SF 1166s for ITS wire and EFT payments must include the following information:

- Payee name;
- Payee address;
- Bank account or international bank account number;
- SWIFT Bank Identification Code (or other bank identifier information when country or currency appropriate);

- Bank name;
- Bank address;
- Payment currency;
- Amount;
- Invoice information/details;
- Reason for payment (required for some currencies).

30125.10b—Check Payments

SF 1166s for check payments must include the following information:

- Payee name;
- Payee address;
- Payment currency;
- Amount;
- Invoice information/details;
- Reason for payment (required for some currencies).

30125.10c—Expressing Payment Amount

Ensure that the amount on the SF 1166 is the same as the amount billed on the invoice to avoid disbursement of an erroneous amount. Include the decimal and following two digits for all currencies except any currencies expressed only as whole numbers (for example the Japanese yen, Korean won, Central African franc, or Indonesian rupiah). For currencies that have three numbers after the decimal place (for example the Tunisian dinar, Jordanian dinar, etc.), include the three numbers after the decimal place on the SF 1166 request.

30125.20—Payments Requiring Foreign Currency

If the agency has contracted, or been billed or invoiced, in a foreign currency, FMS can process that payment on the agency’s behalf. FMS can support foreign payment processing when any of the following conditions apply:

- Only the foreign currency amount is known or listed on the invoice;

- The U.S. dollar amount is provided yet the invoice specifies payment in a foreign currency;

OR

- The amount payable is for U.S. dollars to a foreign recipient (see the details in subsection 30125.30).

30125.30—Payments Requiring U.S. Dollars to a Foreign Recipient

FMS can process U.S. dollar payments **electronically** to foreign recipients through ITS.gov but not via check. When an invoice or bill requires payment in U.S. dollars, ensure that the request includes all the information needed by the foreign bank.

Be aware, some countries have strict local currency regulations or foreign exchange controls that prohibit exporters from receiving or accepting payment in local currency for purchase of items to be exported. Before scheduling payments, agencies should ask vendors if they may be paid in their local currency.

30125.40—Submitting an SF 1166 Request

Agencies should contact FMS to request the SF 1166 and to review their payment and currency requirements before submitting the request. To request this information, contact the FMS ITS.gov staff by calling 816-414-2100. The FMS ITS.gov staff will provide the mailing address when requested. Agencies can submit the SF 1166 for processing via an overnight mail service to allow the agency to track the signed payment request document. The original SPS SF 1166 signed by the CO must be mailed; FMS does not accept copies or duplicates.

30125.50—Rejecting an SF 1166

FMS rejects an SF 1166 if:

- The signature on the SF 1166 does not match the signature of an active CO;

- The scheduling instructions provided in subsection 30125.10 are not followed.

Section 30130—Designated Depositories

FMS is responsible for designating international depositories for the U.S. Government. FMS bases the selection on the requesting agency's recommendation and submission of supporting documents and each bank's compliance with Office of Foreign Assets Control (OFAC) and Anti-Money Laundering (AML) regulations. FMS reserves the right to reject or rescind a depository designation when it believes it is in the best interest of the Treasury to do so for any reason. All agencies requiring a local currency operating account, and, in rare instances, a U.S. dollar account, must formally ask FMS to approve and designate a financial institution for that account. To be considered, a financial institution must be in compliance with all applicable OFAC requirements and AML regulations. At Treasury's discretion, other types of legal findings against a bank will be considered as part of the review process and may be cause for denying a bank's designation. The approval request should include, at a minimum:

- Justification for the account;
- Location;
- Name of the currency;
- Criteria that was used by the agency to determine the best bank and reasons for recommending its selection;
- Name of the bank to be designated (regardless of possible previous designations);
- Bank address;
- Name and title of the bank official and telephone number(s);
- Percentage of ownership by a U.S. bank;
- Name of the correspondent bank (if any) in the United States, the

account number, and a point of contact (name, title, and telephone number);

AND

- A statement that the bank is in compliance with the provisions of this section or the reasons why it is not.

Requests for U.S. dollar accounts must include supporting documents indicating that a commitment to pledge collateral was requested from the bank recommended for selection. If the bank agrees to pledge collateral with the Federal Reserve Bank, the agency may request a U.S. dollar operating account; if the bank refuses, the agency may only request a U.S. dollar zero-balance account.

Treasury's policy in selecting financial institutions that maintain U.S. Government operating accounts is predicated on the most beneficial banking arrangement available to the U.S. Government to transact essential business. This includes consideration of both economic and non-economic factors.

However, Treasury gives preference to U.S. financial institutions unless a local bank's arrangement is more beneficial to the U.S. Government.

When establishing a new foreign currency operating account or seeking to change an existing account, the accountable officer should obtain all relevant information (including but not limited to pricing information) from all U.S.-owned and leading local financial institutions in the area to determine which will offer the most beneficial arrangement. A financial institution may seek to change an existing operating account at any time. An agency may seek to change an existing account to any financial institution that:

- Offers an equal or more beneficial banking arrangement than currently received;

AND

- Reflects a higher level of U.S.-ownership than the present depository.

At least every 3 years, for each account, the accountable officer should determine if it may be cost effective to obtain information from all U.S.-owned and leading local financial institutions in the area to obtain a more beneficial agreement. The process of obtaining information from the banks must be equitable with all banks submitting written information on identical questionnaires or requests for information.

In determining the most beneficial banking arrangement, the agency should follow three areas of service in descending order of importance:

- Standard operating services minimally required;
- Customary local banking practices;

AND

- Other special services that may be deemed necessary in a particular country or circumstance.

The required services will be, at a minimum:

- Capability to honor payments to payees in outlying areas;
- Processing EFT or checks (only if EFT is not available), and deposits;
- Submission of a daily or monthly bank statement as needed;
- Capability to receive and process SWIFT messages;

AND

- Acceptance of the accountable officers' funding procedures.

In addition, the agency should consider:

- Any customary banking practices (payment of interest on the operating account, overdraft charges, waiver of miscellaneous charges, etc.) peculiar to a particular country.

- Special services a bank is willing to provide in addition to the minimum required and customary local banking services (that is, telex cost, armored car service, etc.) if more than one bank offers equivalent services.

The operating account balances (or the forfeiture of potential interest earnings on the account) are not to be used to subsidize banking services that would otherwise be funded through the appropriation process (for example, cashier services). See subsection 30145.20.

In all requests, it is of paramount importance that the agency exercise due diligence when recommending a bank for designation as a depository. The agency must ensure the bank is a valid, financially secure, dependable, and reliable financial institution in compliance with all relevant U.S. laws and regulations to avoid losses and ensure U.S. Government funds are protected. The agency should confer with the local U.S. Embassy or consulate for assistance in determining which banks meet these criteria for consideration to maintain an operating account.

When an agency learns of a significant event affecting the designated bank (for example, the bank will be closed or taken over by another bank or by the host government, or adverse treatment of the bank by a regulatory agency), the agency must inform Treasury via the FMS Help Desk at 816-414-2100. For contact information see the Web site at <http://www.fms.treas.gov/itsgov>.

Section 30135—Foreign Exchange Transactions for Official Purposes

30135.10—Foreign Exchange Transactions

Accountable officers or duly authorized agents are empowered, for official purposes, subject to the provisions of TFM Volume I, Part 2,

Chapter 3200, to conduct the following types of exchange transactions:

- Purchase foreign currency with U.S. dollars as required for disbursing purposes.
- Disburse payments in foreign currencies to U.S. Government creditors.
- Exchange foreign currency checks, drafts, bills of exchange, or other instruments payable in foreign currency, representing official funds for which the accountable officer is accountable, for U.S. currency, U.S. dollar checks, drafts, bills of exchange, or other instruments payable in U.S. dollars.

Unless authorized by Treasury, no accountable officer may purchase foreign currency that, together with the balance on hand at the time of purchase, would exceed the limitation set forth in subsection 30145.20.

Section 30140—Cashing Checks and Other Instruments in Foreign Countries for Accommodation Purposes

30140.10—Persons for Whom Accommodation Transactions Are Authorized

When the officer in charge at a post determines that satisfactory local banking facilities are not available to conduct accommodation transactions, accountable officers or authorized agents are empowered, subject to the restrictions contained in these procedures, to use official funds available for the following.

To pay out foreign currency for checks, drafts, bills of exchange, and other instruments payable in U.S. dollars, and to cash (for the same currency in which drawn) foreign currency checks drawn by accountable officers of the United States on official checking accounts for the accommodation of the following:

1. Members of the Armed Forces of the United States.
2. Civilian employees of the U.S. Government who are U.S. citizens.
3. Contractors and their personnel engaged in U.S. Government projects in foreign countries; any such contractors must be U.S. firms or citizens, and any such personnel must be U.S. citizens.
4. Personnel of authorized non-Government agencies operating with entities of the United States who are U.S. citizens.
5. Dependents of individuals listed in 1 through 4 holding valid power of attorney.
6. Dependents of civilian employees of the U.S. Government, members of the Armed Forces of the United States, and employees of U.S. contractors and subcontractors under contract with U.S. Government agencies, upon proper identification, at safe haven posts when ordered by competent authority in the event of emergency evacuation. Such accommodation exchange transactions for all dependents of any one civilian employee, U.S. contractors or subcontractors, or members of the Armed Forces, may be for amounts allowable under the Department of State Standardized Regulations and the Joint Federal Travel Regulations (for U.S. Armed Forces).
7. Foreign nationals employed as civilian employees or under contract to the U.S. Government, or contractors or subcontractors that are U.S. firms engaged in U.S. Government projects in foreign countries, provided the checks presented by the third-country nationals are U.S. Treasury dollar checks or U.S. dollar checks issued by the contractors to third-country nationals presenting the check to be cashed.
8. Certain U.S. organizations or organizations sponsored by the U.S. Government where such exchanges:
 - (a) do not violate local government

currency law; (b) promote the interest of the U.S. Government abroad; (c) do not adversely impact or impair the operations of the Embassy; and (d) are approved by the Department of State.

An example of item 8 would be to provide accommodation exchange to U.S. schools to assist them in purchasing books and other supplies not available in the country.

9. Any citizen of the United States to cash, for foreign currency, checks drawn on the U.S. Treasury, when such checks are presented by the person to whose order they are drawn, with proper identification.

In those countries where the use of U.S. dollars in the local economy is prohibited, accountable officers or authorized agents may cash dollar checks, drafts, bills of exchange, and other instruments of U.S. employees for U.S. dollars only in such amounts as may be required to make cash purchases at U.S. Government authorized facilities such as commissaries, snack bars, theaters, etc., or for the purpose of travel outside of the assigned post.

30140.20—Purchase of Foreign Currency From Individuals

The accountable officer or authorized agent may purchase foreign currency or instruments payable in foreign currency from individuals under the following conditions and limitations.

Notwithstanding the provisions of TFM Volume I, Part 2, Chapter 3200, accountable officers or authorized agents are empowered to purchase foreign currencies from U.S. Government employees before departure after termination of their foreign assignment, or if the employee receives home leave and return orders and has been authorized to sell and convert those items that need replacement before his/her return, provided that controls have been established to prevent conversion with more than one accountable officer or authorized agent.

If the amount of foreign currency presented does not exceed the sum of the employee's salary and allowances for two biweekly pay periods, it may be purchased without requiring documentation of any kind from the departing employee.

If the amount of foreign currency presented exceeds the amount authorized to be purchased, as stated above, the employee presenting such currency should be required to submit a written application containing a statement describing the source of such currency and affirming that none of the currency presented was acquired in violation of local agency administrative regulations, or exchange control laws of the country concerned. The local officer in charge of the agency to which the employee is attached should approve the application.

The above provisions are subject to the further limitations in subsection 30145.20.

Accountable officers or authorized agents are empowered to repurchase foreign currencies (that is, perform a reverse accommodation exchange) from any person authorized to purchase foreign currencies through the accommodation exchange, provided the person is leaving the country and the amounts are subject to the limitations in subsection 30145.20.

30140.30—Precautions To Avoid Losses

Accountable officers or authorized agents must exercise extreme caution to avoid losses to the U.S. Government. If the person presenting a check to be cashed is not personally known by the accountable officer or authorized agent, that person must present identification credentials (for example, a passport). Checks and other instruments (drawn on U.S. banks) to be cashed should be made payable to the post; for example, U.S. Embassy, Paris, France; U.S. Consulate General, Monterrey, Mexico.

30140.40—Record and Disposition

The accountable officer or authorized agent should enter all instruments in a record showing the following:

- Essential descriptive information such as date and number of the instrument;
- Name of the drawer;
- Name and location of the drawee;
- Amount;

AND

- Name of the payee.

In addition, the record should show:

- Date of the transaction;
- Permanent address of the person presenting the instrument to be cashed;
- Name and address of the person's employer;
- Any additional appropriate references;

AND

- Identification presented (for example, passport number, driver's license, etc.).

All U.S. dollar instruments payable in the United States should be deposited promptly for credit to the U.S. Treasury's General Account (TGA).

Section 30145—Acquisition of Foreign Exchange

Federal agencies are encouraged to use ITS.gov to issue foreign currency payments electronically and to issue international U.S. dollar wire transfer payments. For more information on ITS.gov, see subsection 30115.10e or the FMS Web site at <http://www.fms.treas.gov/itsgov>.

30145.10—Exchange of U.S. Dollars for Foreign Currencies

Agencies (other than those specifically responsible for dealing with the value of the dollar in foreign exchange such as Treasury and the Federal Reserve) should avoid holding foreign currency balances in excess of immediate working requirements. When exchanging U.S. dollars for foreign currencies, agencies must observe the following guidelines that apply to exchanges:

- Agencies should conduct all exchange of dollars for foreign currencies for “spot” delivery (normally the purchase of foreign currencies for delivery in 2 business days). They may not use forward contracts or purchase at negotiated rates directly from foreign governments or private contractors (for example, individuals or foreign exchange houses) unless authorized by Treasury.
- Agencies should exchange U.S. dollars for foreign currencies at the time the foreign currency is needed for immediate funding requirements. Accountable officers should ensure that payment is made for foreign currency purchases on the value date.
- U.S. Government agencies must avoid any appearance of currency speculation in the exchange markets.
- The program agencies are responsible for any change in program costs resulting from the foreign currency denomination of international financial arrangements.

U.S. Government agencies should attempt to reduce exchange risks for the United States in international programs by taking steps to ensure that a larger portion of the program expenditures is in the United States, or financial arrangements are in U.S. dollars or dollar equivalents.

30145.20—Operating Account Balance Limitations

All accountable officers must ensure the amount of foreign exchange purchased with U.S. dollars (together with the balance on hand) is commensurate with immediate disbursing requirements, not to exceed a 5- to 7-business day supply, in order to:

- Minimize local currency operating bank balances;
- Minimize losses due to rate devaluations;
- Avoid premature drawdowns on the TGA.

This results in interest savings to the U.S. Government and has a favorable impact on the U.S. balance of payments. Agencies should keep balances in the local currency operating accounts on the bank’s books as close to a zero bank balance as possible without incurring overdrafts to the account. The accountable officer should adopt funding techniques or procedures to reduce the average account balance to the point where the additional administrative costs, lost volume discounts, and possible overdraft charges generated by further balance reductions would exceed any projected interest savings. Agencies should review the 5- to 7-business day needs for operating cash on a quarterly basis.

In certain situations, the administrative costs, local banking regulations, or possible volume discounts may override any interest savings or balance of payment considerations and may require procedures that are different than recommended above. In these situations, the accountable officer should purchase foreign exchange in an amount that, together with the projected or actual bank balance on hand on the value date, would not exceed the estimated drawdowns against the operating account for the ensuing 5 to 7 business days.

Departments and agencies may not exceed a 5- to 7-business day supply of funds in the operating account without a

specific waiver of this requirement from Treasury. Agencies should conduct independent annual reviews of the balances to ensure only 5-to-7 day balances are maintained. The results of the review should be shared with Treasury.

30145.30—Acquisition of Foreign Exchange

Treasury purchases all foreign currency and funds Treasury approved local depository accounts through ITS.gov.

The accountable officer or authorized agent is empowered to purchase foreign exchange through accommodation exchange from individuals only in the manner and under the circumstances described in this TFM, from the Treasury, and from sources authorized by the government of the country concerned. The accountable officer or authorizing agent should retain documentation stating the particulars of the foreign exchange purchase from any source, including the rate at which the exchange was performed.

30145.40—Rate of Exchange for Purchase from Non-Government Sources

Agencies should acquire foreign exchange, when purchased from sources other than the U.S. Government, at the best rate available according to the laws of the country in which the exchange is to be expended.

30145.40a—Fixed Legal Rates

The best legal rate to the U.S. Government, depending upon the circumstances in each country, may be any officially established buying rate for dollars, including diplomatic rates or special rates established by agreement with the authorities of the country. When rates so fixed prevail, agencies should purchase foreign exchange at the best applicable rates to the particular transaction. They may effect purchases at fixed legal rates without the formality

of obtaining bids, but the purchases should be evidenced by a statement over the signature of the seller setting forth the pertinent data relative to the purchase. This data includes the date, amount of purchase, and exchange rate. The accountable officer or authorized agent should retain the statement as a supporting document with the monthly accountability statements.

30145.40b—Nonfixed Legal Rates

When rates legally applicable to the particular transaction are not fixed, or when such rates are fixed but the use of other rates also is legal for the particular transactions, agencies should purchase foreign exchange at the best obtainable rates. When foreign exchange can be purchased at nonfixed legal rates, agencies should solicit bids from not less than three sources, if available. The accountable officer or authorized agent should accept the bid quoting the most beneficial legal exchange rate, if it is more favorable than any legally fixed rate. The accountable officer or authorized agent should retain documentation stating the most beneficial bid, accepted and certified, with the monthly accountability statements.

Section 30150—Rate of Exchange for Expenditures and Accommodation Exchanges

Agencies should compute exchange transactions for accommodation purposes or for official expenditures to avoid losses, due to fluctuations in exchange rates, as much as possible. Ordinarily, unless otherwise authorized by Treasury, agencies should use the prevailing rate of exchange to convert foreign currency expenditures to U.S. dollars for accounting purposes.

Section 30155—Collections and Interest on Deposits

30155.10—Collections

Collections from foreign vendors or entities may be processed through ITS.gov, which transfers funds via Fedwire to the Credit Gateway. The Credit Gateway posts Fedwires to agency accounts and sends SF 212 deposit vouchers to the Collection Information Repository (CIR) for agency deposit reporting. Agencies need to contact the FMS ITS.gov staff by calling 816-414-2100 to receive specific collection account instructions that are based on the currency sent for the collection.

30155.20—Unfunding

Unfunding is the authorized borrowing by an accountable officer of restricted foreign currency from specific agency program accounts for the purpose of meeting current U.S. Government obligations, and replacing the foreign currency when needed for the purposes for which this foreign currency was originally set aside. (Public Law 89-677)

The unfunding process provides that, when agencies receive foreign currencies that are not immediately needed for agency program expenditures, the accountable officers or authorized agents must unfund all affected program accounts before purchasing foreign currency commercially. To unfund all affected accounts, the accountable officer must reclassify funds using the CARS Classification Transactions and Accountability (CTA) module. Through this process, the accountable officers:

- Credit agency program X7000 accounts;
- Unfund the accounts through Treasury's account 20X7900 "Advances of Unfunded Foreign Currencies";
- Use the funds for any U.S. Government expenditure;

AND

- Reimburse the program account when the foreign currency is required for the particular program intended.

If necessary to reimburse the borrowed foreign currency, the accountable officers may purchase the foreign currency commercially with U.S. dollars. It is important to note that these foreign currencies credited to specific agency program accounts are initially acquired without the expenditure of U.S. dollars. They may be host-government contributions, loan repayments, etc. The purpose of unfunding is twofold. It makes use of foreign currency not currently needed by the agency program accounts and delays the expenditure of U.S. dollars to purchase foreign currency.

Additional information and guidelines regarding unfunding are contained in TFM Volume I, Part 2, Chapter 3200, and TFM Volume I, Bulletin No. 2001-07: Accounting for and Reporting of Foreign Currency Transactions and Balances.

30155.30—Disposition of Excess Balances

Agencies should make an attempt to transfer foreign currencies in excess of immediate disbursing requirements to other accountable officers (such as military or State) for use in a particular locality. Agencies may contact the U.S. Embassies in these countries concerning foreign currency acquisition. Accountable officers having temporary excess balances should initiate action to effect transfers with other accountable officers using like currencies. Agencies should use the ITS.gov collection module and indicate the TAS/BETC when depositing funds to the TGA. They must use the CARS CTA module to reclassify funds deposited to the TGA through ITS.gov. Agencies need to contact the FMS ITS.gov staff by calling 816-414-2100 to receive specific collections account instructions that are

based on the currency being sent in as collections.

30155.40—Interest on Deposits

Whenever possible, the accountable officer should obtain interest on the local currency checking account. However, the accounting officer should not maintain excessive balances to receive interest. Accountable officers must follow the procedures below.

If the collection of foreign currency causes a depository account (for example, local currency checking account) to exceed a 5- to 7-business day supply and all attempts to sell currencies to other accountable officers have been exhausted, the accountable officer must sell the foreign currency for U.S. dollars and must deposit funds into the TGA using ITS.gov.

The accountable officer must monitor the interest-bearing accounts to ensure that interest is being credited on a timely basis and per agreements reached between the accountable officer and the banks. The accountable officer must credit the U.S. dollar equivalent of all interest earned on U.S. Government funds to Treasury's miscellaneous receipt account 3220.

Section 30160—Disbursements

The rules governing domestic disbursements also are applicable to foreign exchange disbursements, including prompt payment provisions and CARS reporting.

Section 30165—Gains and Deficiencies

30165.10—Accounting for Gains and Deficiencies

Agencies compute gains or deficiencies on a monthly basis by applying gains to offset deficiencies to determine the amount of net gain or net deficiency. They maintain account 20_6763, "Gains and Deficiencies on

Exchange Transactions," to record gains and deficiencies of accountable officers, to determine the amount of net gain or net deficiency for each accounting month.

Agencies must report gains and deficiencies by recording these transactions as "reclasses" in the CARS CTA module.

30165.20—Bad Check Transactions

When a bad check transaction results in the return of the instrument, the agency must report the amount of the instrument promptly as a deficiency to the disbursing officer. The accountable officer or authorized agent should immediately try to recover the equivalent amount of U.S. Government funds paid out on the instrument. If the accountable officer is successful, he/she should arrange to remit the amount recovered to the disbursing officer to offset the deficiency previously reported. If all efforts to recover the funds have been exhausted and are not successful, agencies may charge the deficiency to account 20_6763. The charge to the deficiency account must be recorded as a "reclass" in the CARS CTA module.

30165.30—Mutilated Foreign Currency

Accountable officers and authorized agents should take every possible precaution to prevent acceptance of mutilated foreign currency as a collection, payment, or an exchange transaction. If an accountable officer or authorized agent is holding mutilated foreign currency, he/she should make every effort to replace it through local banks or the host country's central bank.

30165.40—Counterfeit Currency

Accountable officers and authorized agents should take every possible precaution to prevent acceptance of counterfeit currency as a collection. If the collection is counterfeit, see TFM

Volume I, Part 5, Chapter 2000, Section 2040.

Section 30170—Authority To Disburse Imprest Funds

As a preliminary matter, before an agency contemplates establishing an imprest fund, the agency should first discuss that option with FMS to determine if an alternative approach might be more suitable, given the numerous different payment options FMS makes available to agencies at no charge.

An agency may proceed with plans to establish an imprest fund only if the agency can demonstrate that it has the legal authority to:

- Hold funds outside of Treasury;
- AND
- Make the anticipated payments using cash.

An agency must have legal authority to hold funds outside of Treasury because an imprest fund is a fixed cash or petty cash fund in the form of currency or coin that has been advanced to a cashier as "Funds Held Outside of Treasury." Imprest funds are an exception to the general rule that Federal agencies receiving public money from any source are statutorily required to deposit these funds into the U.S. Treasury. See 31 U.S.C. § 3302. This exception arises in only three circumstances.

- **First**, "[i]n rare cases, a Federal agency may have statutory authority to hold money without depositing it to the U.S. Treasury." (See TFM Volume I, Part 5, Chapter 4100, Section 4120, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p5c410.pdf>.)
- **Second**, an agency may have implied authority to hold funds outside of Treasury if it has explicit statutory disbursing authority (that is, if the agency would be permitted to make electronic payments through the

FRB and issue Treasury checks itself).

- **Third**, an agency may obtain a delegation of disbursing authority from Treasury's CDO, if, for reasons of economy and efficiency, the CDO determines such a delegation would be appropriate. In the case of delegated disbursing authority, the extent of any authority to hold funds outside of Treasury is set forth in the delegation document. In addition to the authority to hold funds outside of Treasury, an agency must have legal authority to make the anticipated payments using cash. In general, all Federal payments are required to be made by EFT [31 U.S.C. § 3332(f)]. There are only certain circumstances in which payment by another means is legally authorized. The categories of payments encompassed by those circumstances are set forth in 31 CFR § 208.4. Only if the anticipated payments fall into one of the listed categories is the agency legally authorized to make them using cash. Also, if an agency deposits funds into a financial institution, that financial institution must be designated by Treasury to be a financial agent of the U.S. Treasury. Collateral is required if balances are greater than Federal Deposit Insurance Corporation insurance.

Note: Agencies that have been granted the authority to disburse imprest funds must classify imprest fund transactions using established and appropriate TAS/BETCs. The SAM Web site at <https://www.sam.fms.treas.gov/sampublic> provides FMS reference data for TAS/BETCs. If a default TAS/BETC is used to fund the impress account, the agency must reclassify each payment at the time of obligation using the TAS/BETC in the CARS CTA module. The default account must be cleared by the third workday after monthend or it

negatively impacts the quarterly scorecard that is sent to agencies' CFOs.

Section 30175—Enclosures or Inserts With Treasury Checks

30175.10—Enclosures, Inserts, and Check Identification

The invoice numbers or other identifying numbers shown on the payee's billing form and the identification of the agency making the payment must be shown on the check at least two lines below the address. The FMS/DO issues the check directly from the information shown on the voucher-schedule (see the Contacts page).

A maximum of 6 inches of writing space (that is, two 3-inch lines) below the three lines required for the payee's name and address is available for check identification information. However, this method of check identification should not be adopted until an agreement is reached, in writing, by the agency and vendors or payees concerning the exact references required on the check. In the absence of such an agreement, check identification information should not be shown on the voucher-schedules.

30175.10a—Inserts Enclosed With Treasury Checks

Agencies submitting requests for inserts to be enclosed with Treasury checks must adhere to the instructions in the following subsections concerning insert specifications and shipping addresses for insert delivery. Approval is granted only for program related inserts printed on tabulating cards and paper inserts. Write the message to be conveyed in general terms so that the matching of inserts with specific checks is not required. It is the primary responsibility of the agency to determine whether inserts are appropriate and program related. The CDO retains final authority on the language and content of all inserts enclosed with Treasury checks. To avoid unnecessary expenses,

CDO approval should be obtained before entering printing contracts. Refer any questions or problems concerning inserts to the CDO, Attention: Resource Management Services Division.

30175.10b—Mailing

If an enclosure is approved, the CDO may require reimbursement for expenses involved in preparing and mailing the enclosure to payment recipients who do not receive checks such as those enrolled in the Direct Deposit program. The requesting agencies are responsible for payment of postage to the U.S. Postal Service for these mailings. As a less costly alternative to inserts, FMS offers the ability to print messages on the back of envelopes used to mail Treasury checks.

30175.10c—Enclosure of Program Inserts

FPA's that want enclosure of inserts must submit the requests sufficiently in advance of delivery of check issue data to allow for approval action, to stock enclosure supplies, and to make computer program changes when necessary. Normally, submission of requests is 6 weeks before delivery of check issue data, with earlier submission if programming changes are required. Letters of request must provide a sample of the insert, or a facsimile if a sample is not available, and must include the following information:

- Proposed enclosure numbers and titles;
- Type and size of enclosure;
- Date of checks;
- Class of payment;
- RFCs involved;
- Volume at each RFC (volumes should correspond to current payment figures, plus an additional 5 percent overage to cover spoilage);

- Total volume of enclosures;
 - Delivery date;
- AND
- Special enclosing instructions.

When an actual sample of the check insert is not provided with the request, any approval is conditional on inserts meeting the specifications as prescribed in this chapter. Insert requests must be

submitted to the CDO for approval of both content and specifications.

CONTACTS

Direct inquiries concerning this chapter to:

Chief Disbursing Officer
Financial Management Service
Department of the Treasury
Liberty Center, Room 335
401 14th Street, SW.
Washington, DC 20227
Telephone: 202-874-6800






Payment Management
Financial Management Service
Department of the Treasury
Liberty Center, Room 358
401 14th Street, SW.
Washington, DC 20227
Telephone: 1-855-868-0151

Send the SF 1166 to:

Kansas City Financial Center (KFC)
Attention: Special Operations/CAS
P.O. Box 7528-0228
Kansas City, MO 64116-0228

Direct inquires related to U.S. Treasury payments, claims, or reclamations to the Payment Management Call Center at 1-855-868-0151.

Appendices Listing

Appendix No.	Form	Title
1	FMS 2958 	Delegation of Authority Instructions for FMS 2958
2	FMS 210CO 	Designation for Certifying Officer Instructions for FMS 210CO
3	FMS 210DEO 	Designation for SPS Data Entry Operator Instructions for FMS 210DEO
4	FMS 210DA 	Designation for Agent To Receive and Deliver Checks Instructions for FMS 210DA
5	SF 1195 	Recommendation for Designation and Revocation of Agent To Receive and Deliver Checks and Savings Bonds Instructions for SF 1195

RESET FORM

Financial Management Service
Kansas City Financial Center
P.O. Box 12599-0599
Kansas City, MO 64116

Date: _____

DELEGATION OF AUTHORITY	
Section I - DELEGATION AND RE-DELEGATION	
In Accordance with the authority vested in me by the head of this agency or his/her designee, I hereby delegate to the individual whose name, title and signature samples appear below the authority to:	
<input type="checkbox"/> Designate Certifying Officers	Authority <input type="checkbox"/> MAY / <input type="checkbox"/> MAY NOT Be Redelegated
<input type="checkbox"/> Other (Specify): _____	Authority <input type="checkbox"/> MAY / <input type="checkbox"/> MAY NOT Be Redelegated
Comments: _____	
TYPE OF DELEGATION OR REVOCATION ACTION: [CHECK ONE]	
<input type="checkbox"/> ORIGINAL DELEGATION	<input type="checkbox"/> RE-DELEGATION
<input type="checkbox"/> REVOCATION	
Section II - DESIGNEE	
Full Legal Name: _____	
Title: _____	Head of Agency: <input type="checkbox"/> Yes / <input type="checkbox"/> No
Agency: _____	Effective Date: _____
Bureau: _____	Phone: _____
Division: _____	Email: _____
Section III - SIGNATURE SAMPLES OF DESIGNEE [Designee must sign within all 4 boxes in BLACK INK]	
Section IV - DELEGATOR SIGNATURE [Delegator must sign within the box in BLACK INK]	
	Full Legal Name: _____
	Title: _____
	Agency: _____
	Bureau: _____
	Division: _____
Email: _____	Phone: _____
Section V - RETURN ADDRESS OF DELEGATOR	Section VI - To Be Completed by FMS
Address: _____	Transmittal No.: _____
_____	Accomplished Date: _____
_____	By: _____

FORM 11-12 **FMS 2958**
I TFM 4A-3000

FORMALLY FMS FORM 2958 (12-08)
WHICH IS OBSOLETE

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Instructions for Form FMS 2958

1. This form is for use in delegating individuals to have authority to designate individuals and/or re-delegate authority to the Financial Management Service. Such delegations/designations are valid for a period of two years from the effective date. At the end of that period they will expire, unless a re-delegation is submitted to the Financial Management Service. This form may be used for original delegations, re-delegations and revocations.
2. Only one individual may be delegated authority or revoked per form.

Section I

- More than one block may be checked for type of authority to be delegated.
- All 'Authority' blocks should be checked for Head of Agency (HOA) Self-Delegations.
- For each block checked, authority to re-delegate must be indicated by checking either the "MAY" or "MAY NOT" block, for that item, as appropriate. **Either the "MAY" or "MAY NOT" block must be checked for each type of delegation authority checked!** For HOA Self-Delegations, the "MAY" block should be checked for ALL authorities.
- Enter pertinent information in the Comments field, such as Designee Name Change, etc.
- List all application(s) for which this delegation will be applicable.
- Check the appropriate block for "Type of Delegation or Revocation Action". Only one block may be checked.
 - Check "Original Delegation" for new delegations.
 - Check "Re-Delegation" for renewals of existing delegations.
 - Check "Revocation" to revoke all authority that was originally delegated. If partial authority is to be retained from the original delegation, a new form FMS 2958 must be received re-delegating that authority.

Section II

- The Full Legal Name of the designee must be entered for designee name.
- The Head of Agency will be interpreted to mean the head of an Executive Agency, as appointed by the President. *[Refer to the TFM, Part 4, Chapter 1100 for additional HOA information.]* Only the HOA will check the "Yes" block and sign the signature boxes in Section III & IV to self-delegate. A signed letter on agency letterhead must also accompany this completed FMS 2958 indicating the individual is the Head of Agency.
- For "Effective Date" enter the date that the delegation is to be effective on. Delegations are good for a period of two years from the effective date. The actual effective date will be the latter of, the requested effective date and the date the delegation is actually accepted by FMS.

Section III

- Designee must sign within all four boxes.
- All signatures must be handwritten originals.
- All signatures must be clearly legible in **BLACK INK** for reproduction purposes.
- Designee must sign in the same manner as he/she will be using on future documents to be submitted to FMS.

Section IV

- All forms FMS 2958 must be signed in this section by an authorized delegator, whose authority will be substantiated by FMS prior to processing of the action requested in Section I.
- Signature must be within the box and clear and legible, using **BLACK INK** for reproduction purposes.
- An accomplished copy of form FMS 2958 will be returned directly to the delegator, at the address specified in Section V.
- Delegators are cautioned to review accomplished copies to ensure no changes to form FMS 2958 have occurred between signature and acceptance by FMS.

Section V

- Must be completed to reflect the return address of the delegator signing in Section IV.

Section VI

- Will be completed by FMS.
- If accomplished date is later than the effective date, the accomplished date will become the effective date.

RESET FORM

Financial Management Service
Kansas City Financial Center
P.O. Box 12599-0599
Kansas City, MO 64116

Date: _____

DESIGNATION FOR CERTIFYING OFFICER

Section I - DESIGNATION AND RE-DESIGNATION

In Accordance with the authority vested in me by the head of this agency or his/her designee, I hereby delegate to the individual whose name, title and signature samples appear below the authority to act as a Certifying Officer (CO) for the following Agency Location Codes (ALCs):

[LIST EACH ALC THE CO IS AUTHORIZED FOR:] _____

Comments: _____

TYPE OF DESIGNATION OR REVOCATION ACTION: [CHECK ONE]

- ORIGINAL DESIGNATION RE-DESIGNATION REVOCATION

Section II - DESIGNEE

Full Legal Name: _____
Title: _____
Agency: _____ Effective Date: _____
Bureau: _____ Phone: _____
Division: _____ Email: _____

Section III - SIGNATURE SAMPLES OF DESIGNEE [Designee must sign within all 4 boxes in BLACK INK]

Four empty rectangular boxes for signature samples, arranged in a 2x2 grid.

Section IV - DESIGNATOR SIGNATURE [Designator must sign within the box in BLACK INK]

Full Legal Name: _____
Title: _____
Agency: _____
Bureau: _____
Division: _____
Email: _____ Phone: _____

Section V - RETURN ADDRESS OF DESIGNATOR

Address: _____

Section VI - To Be Completed by FMS

Transmittal No.: _____
Accomplished Date: _____
By: _____

FMS FORM 11-12 210CO
I TFM 4A-3000

FORMERLY FMS FORM 210CO (12-08)
WHICH IS OBSOLETE

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Instructions for Form FMS 210CO

1. This form is for use in designating Certifying Officers (CO) who will have authority to certify payment requests, for specific Agency Location Codes (ALCs), to the Financial Management Service, for payment. Such designations are valid for a period of two years from the effective date. At the end of that period they will expire, unless a re-designation is submitted to the Financial Management Service. This form may be used for original designations, re-designations and revocations.
2. Only one individual may be designated authority or revoked per form.

Section I

- List all Agency Location Codes (ALCs) that the designee will have authority to certify payments for.
- Enter pertinent information in the Comments field, such as Designee Name Change, FPAID, etc.
- List all application(s) for which this designation will be applicable.
- Check the appropriate block for "Type of Designation or Revocation Action". Only one block may be checked.
 - Check "Original Designation" for new designations.
 - Check "Re-Designation" for renewals of existing designations.
 - Check "Revocation" to revoke all authority that was originally designated. If partial authority is to be retained from the original designation, a new form FMS 210CO must be received re-designating that authority.

Section II

- The Full Legal Name of the designee must be entered for designee name.
- For "Effective Date" enter the date that the designation is to be effective on. Designations are good for a period of two years from the effective date. The actual effective date will be the latter of, the requested effective date and the date the designation is actually accepted by FMS.

Section III

- Designee must sign within all four boxes.
- All signatures must be handwritten originals.
- All signatures must be clearly legible in **BLACK INK** for reproduction purposes.
- Designee must sign in the same manner as he/she will be using on future documents to be submitted to FMS.

Section IV

- All forms FMS 210CO must be signed in this section by an authorized designator, whose authority is substantiated by a valid form FMS 2958, on file with FMS.
- Signature must be within the box and clear and legible, using **BLACK INK** for reproduction purposes.
- An accomplished copy of form FMS 210CO will be returned directly to the designator, at the address specified in Section V.
- Designators are cautioned to review accomplished copies to ensure no changes to form FMS 210CO have occurred between signature and acceptance by FMS.

Section V

- Must be completed to reflect the return address of the designator signing in Section IV.

Section VI

- Will be completed by FMS.
- If accomplished date is later than the effective date, the accomplished date will become the effective date.

RESET FORM

Financial Management Service
Kansas City Financial Center
P.O. Box 12599-0599
Kansas City, MO 64116

Date: _____

DESIGNATION FOR SPS DATA ENTRY OPERATOR	
Section I - DESIGNATION AND RE-DESIGNATION	
In Accordance with the authority vested in me by the head of this agency or his/her designee, I hereby delegate to the individual whose name, title and signature samples appear below the authority to act as a SPS Data Entry Operator (DEO) for the following Agency Location Codes (ALCs):	
[LIST EACH ALC THE DEO IS AUTHORIZED FOR:] _____ _____ _____	
Comments: _____	
TYPE OF DESIGNATION OR REVOCATION ACTION: [CHECK ONE]	
<input type="checkbox"/> ORIGINAL DESIGNATION <input type="checkbox"/> RE-DESIGNATION <input type="checkbox"/> REVOCATION	
Section II - DESIGNEE	
Full Legal Name: _____	
Title: _____ FPAID: _____	
Agency: _____ Effective Date: _____	
Bureau: _____ Phone: _____	
Division: _____ Email: _____	
Section III - SIGNATURE SAMPLES OF DESIGNEE [Designee must sign within all 4 boxes in BLACK INK]	
Section IV - DESIGNATOR SIGNATURE [Designator must sign within the box in BLACK INK]	
	Full Legal Name: _____
	Title: _____
	Agency: _____
	Bureau: _____
	Division: _____
Email: _____	Phone: _____
Section V - RETURN ADDRESS OF DESIGNATOR	Section VI - To Be Completed by FMS
Address: _____ _____ _____	Transmittal No.: _____
	Accomplished Date: _____
	By: _____

FMS FORM 11-12 210DEO FORMERLY FMS FORM 210DEO (12-08) WHICH IS OBSOLETE
I TFM 4A-3000

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Instructions for Form FMS 210DEO

1. This form is for use in designating Data Entry Operators (DEO) who will be responsible for payment schedule creation and editing using the Secure Payment System (SPS). Such designations are valid for a period of two years from the effective date. At the end of that period they will expire, unless a re-designation is submitted to the Financial Management Service (FMS). This form may be used for original designations, re-designations and revocations.
2. Only one individual may be designated authority or revoked per form.

Section I

- List all Agency Location Codes (ALCs) that the designee will have authority to create and edit payments for.
- Enter pertinent information in the Comments field, such as Designee Name Change, etc.
- Check the appropriate block for "Type of Designation or Revocation Action". Only one block may be checked.
 - Check "Original Designation" for new designations.
 - Check "Re-Designation" for renewals of existing designations.
 - Check "Revocation" to revoke all authority that was originally designated. If partial authority is to be retained from the original designation, a new form FMS 210DEO must be received re-designating that authority.

Section II

- The Full Legal Name of the designee must be entered for designee name.
- If this is an established SPS entity, enter the FPAID for which the designee will be creating/editing payments.
- For "Effective Date" enter the date that the designation is to be effective on. Designations are good for a period of two years from the effective date. The actual effective date will be the latter of, the requested effective date and the date the designation is actually accepted by FMS.

Section III

- Designee must sign within all four boxes.
- All signatures must be handwritten originals.
- All signatures must be clearly legible in **BLACK INK** for reproduction purposes.
- Designee must sign in the same manner as he/she will be using on future documents to be submitted to FMS.

Section IV

- All forms FMS 210DEO must be signed in this section by an authorized designator, whose authority is substantiated by a valid form FMS 2958, on file with FMS.
- Signature must be within the box and clear and legible, using **BLACK INK** for reproduction purposes.
- An accomplished copy of form FMS 210DEO will be returned directly to the designator, at the address specified in Section V.
- Designators are cautioned to review accomplished copies to ensure no changes to form FMS 210DEO have occurred between signature and acceptance by FMS.

Section V

- Must be completed to reflect the return address of the designator signing in Section IV.

Section VI

- Will be completed by FMS.
- If accomplished date is later than the effective date, the accomplished date will become the effective date.

RESET FORM

Financial Management Service
Kansas City Financial Center
P.O. Box 12599-0599
Kansas City, MO 64116

Date:

DESIGNATION FOR AGENT TO RECEIVE & DELIVER CHECKS	
Section I - DESIGNATION AND RE-DESIGNATION	
In Accordance with the authority vested in me by the head of this agency or his/her designee, I hereby delegate to the individual whose name, title and signature samples appear below the authority to act as a Designated Agent (DA) for the following Agency Location Codes (ALCs):	
[LIST EACH ALC THE DA IS AUTHORIZED FOR:] _____	
Comments: _____	
TYPE OF DESIGNATION OR REVOCATION ACTION: [CHECK ONE]	
<input type="checkbox"/> ORIGINAL DESIGNATION <input type="checkbox"/> RE-DESIGNATION <input type="checkbox"/> REVOCATION	
AUTHORIZED CERTIFICATION FUNCTIONS THAT MAY BE EXERCISED:	
The individual named is designated as Designated Agent for the above listed ALC(s) authorized to receive and distribute:	
CHECKS (Indicate type): _____	
The individual named IS NOT AN AUTHORIZED CERTIFYING OFFICER AND IS NOT CONNECTED WITH THE PREPARATION OF THESE CHECKS. [See Instructions for FMS Form 210DA]	
Section II - DESIGNEE	
Full Legal Name: _____	
Title: _____	
Agency: _____ Effective Date: _____	
Bureau: _____ Phone: _____	
Division: _____ Email: _____	
Section III - SIGNATURE SAMPLES OF DESIGNEE [Designee must sign within all 4 boxes in BLACK INK]	
Section IV - DESIGNATOR SIGNATURE [Designator must sign within the box in BLACK INK]	
	Full Legal Name: _____ Title: _____ Agency: _____ Bureau: _____ Division: _____ Email: _____ Phone: _____
Section V - RETURN ADDRESS OF DESIGNATOR	Section VI - To Be Completed by FMS
Address: _____ _____ _____	Transmittal No.: _____ Accomplished Date: _____ By: _____

FMS FORM 11-12 210DA
ITFM 4A-3000

FORMERLY FMS FORM 210DA(12-08)
WHICH IS OBSOLETE

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Instructions for Form FMS 210DA

1. This form is for use in designating Designated Agents (DA) who will have authority to receive checks, for specific Agency Location Codes (ALCs), from the Financial Management Service (FMS) for delivery to the payee(s). In accordance with provisions of Executive Order 6166, as amended (5 U.S.C. 901 note), authority is hereby delegated to the individual named on the form FMS 210DA to act as agent of the disbursing officer for the purpose of receiving and distributing such checks. The DA will be guided by the instructions printed below and such other instructions as may be directed to him/her from time to time.
2. Such designations are valid for a period of two years from the effective date. At the end of that period they will expire, unless a re-designation is submitted to the Financial Management Service (FMS). This form may be used for original designations, re-designations and revocations.
3. Only one individual may be designated authority or revoked per form.

Section I

- List all Agency Location Codes (ALCs) that the designee will have authority to receive checks.
- Enter pertinent information in the Comments field, such as Designee Name Change, etc.
- Check the appropriate block for "Type of Designation or Revocation Action". Only one block may be checked.
 - Check "Original Designation" for new designations.
 - Check "Re-Designation" for renewals of existing designations.
 - Check "Revocation" to revoke all authority that was originally designated. If partial authority is to be retained from the original designation, a new form FMS 210DA must be received re-designating that authority.

Section II

- The Full Legal Name of the designee must be entered for designee name.
- Enter the Title of the designee.
- For "Effective Date" enter the date that the designation is to be effective on. Designations are good for a period of two years from the effective date. The actual effective date will be the latter of, the requested effective date and the date the designation is actually accepted by FMS.

Section III

- Designee must sign within all four boxes.
- All signatures must be handwritten originals.
- All signatures must be clearly legible in **BLACK INK** for reproduction purposes.
- Designee must sign in the same manner as he/she will be using on future documents to be submitted to FMS.

Section IV

- All forms FMS 210DA must be signed in this section by an authorized designator, whose authority is substantiated by a valid form FMS 2958, on file with FMS.
- Signature must be within the box and clear and legible, using **BLACK INK** for reproduction purposes.
- An accomplished copy of form FMS 210DA will be returned directly to the designator, at the address specified in Section V.
- Designators are cautioned to review accomplished copies to ensure no changes to form FMS 210DA have occurred between signature and acceptance by FMS.

Section V

- Must be completed to reflect the return address of the designator signing in Section IV.

Section VI

- Will be completed by FMS.
- If accomplished date is later than the effective date, the accomplished date will become the effective date.

Designated Agent Instructions

1. Under this delegation, checks will be forwarded to you, the Designated Agent, for distribution in accordance with the following instructions:
 - (a) Checks **shall not be delivered to payees prior to the issuance date** appearing on them; however, they may be mailed as authorized in (b) prior to the issuance date, if it is determined that delivery will not be made before that date.
 - (b) Checks shall be delivered personally by the Designated Agent, or by responsible personnel of the agency, to individual employees. In case of emergency or where an employee is absent on leave, mailing requests may be honored subject to agency administrative approval. Any other mailing of checks is subject to waiver requirements outlined in TFM 4-2000.
 - (c) The individual named IS NOT AN AUTHORIZED CERTIFYING OFFICER AND IS NOT CONNECTED WITH THE PREPARATION OF THESE CHECKS.
 - (d) The insertion of an address on the face of a check forwarded to the Designated Agent for delivery, or the correction of any data shown IS NOT AUTHORIZED.
 - (e) In most cases of emergency or where an employee is absent on leave and a check is to be mailed, a check size insert should be prepared. The insert should be enclosed with the check in such manner that the name and address will appear in the window of the envelope. A duplicate of this insert or other suitable record shall be maintained to indicate the address to which the check has been mailed. In mailing checks, disbursing check envelopes should be obtained from the issuing disbursing office (RFC). Checks are to be mailed in a check envelope.
 - (f) No check shall be delivered personally or by mail to an employee leaving the service until it has been determined that the employee is entitled to the full proceeds of a check or if any part of the information appearing on it is erroneous, the check will be returned to the issuing disbursing office (RFC) with a notation to that effect.
 - (g) Checks which should not, or cannot, be delivered by the Designated Agent in accordance with these instructions will be returned to the issuing disbursing office (RFC) within 5 days after receipt. The only exception is when employees are on leave; checks may then be held for 30 days. All checks shall be kept in a combination lock safe or locked fireproofed cabinet pending distribution or return to the issuing disbursing office (RFC). Checks returned to the issuing disbursing office (RFC) will be accompanied by a statement giving the reason for this return.
2. If the Designated Agent or an agency messenger calls at the disbursing office (RFC) for checks, signature acknowledgements of receipt will be required. Before release of checks to a messenger, it will be necessary that the Designated Agent's written request for delivery contain both signatures and be filed with the disbursing office (RFC). The disbursing offices (RFCs) will not ordinarily require acknowledgement for receipt of checks mailed to the Designated Agent for distribution.

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RESET FORM

Standard Form 1195 Revised 11-12 I TFM 4A-3000		RECOMMENDATION FOR DESIGNATION AND REVOCATION OF AGENT TO RECEIVE AND DELIVER CHECKS AND SAVINGS BONDS	
SECTION I (to be completed by agency)			
NAME AND LOCATION OF DISBURSING OFFICER		AGENCY LOCATION CODE	
		DATE	
NAME OF INDIVIDUAL OR POSITION TITLE			
AGENCY		ADDRESS	
It is recommended that the individual or incumbent of position identified above be designated as Designated Agent for the below named disbursing officer to receive and distribute <input type="checkbox"/> CHECKS (Indicate type) _____ <input type="checkbox"/> SAVINGS BONDS			
The individual named or occupying the position named IS NOT AN AUTHORIZED CERTIFYING OFFICER AND IS NOT CONNECTED WITH THE PREPARATION OF SALARY PAYROLLS OR SAVINGS BOND ISSUANCE SCHEDULES. The position recommended above for designated agent IS AT A LEVEL LOWER THAN THE HEAD OF A SECTION.			
SIGNATURE OF INDIVIDUAL DESIGNATED BY NAME		SIGNATURE OF RECOMMENDING OFFICER	
SIGNATURE OF INCUMBENT OF DESIGNATED POSITION (If required)		TITLE	
NAME OF INDIVIDUAL OR POSITION TO BE REVOKED, IF ANY		ADDRESS	
SECTION II (to be completed by disbursing officer)			
In accordance with provisions of Executive Order 6166, as amended (5 U.S.C. 901 note), authority is hereby delegated to the above named employee or position title to act as agent of the disbursing officer for the purpose of receiving and distributing such checks and/or United States savings bonds as indicated above. The Designated Agent will be guided by the instructions printed on the reverse hereof and such other instructions as may be directed to him from time to time. The checks and bonds will be forwarded without requirement of receipt, so long as the Designated Agent is employed in the administrative office or until the delegation is revoked.			
DESIGNATION FOR (Name of Agent or Position)		APPROVED (Date of Action)	
DESIGNATION FOR (Name of Agent or Position)		REVOKED (Date of Action)	
		SIGNATURE OF DISBURSING OFFICER	

PREVIOUS EDITION USABLE
 NSN 7540-00-935-6886

STANDARD FORM 1195 (Rev. 11-12) BACK

Instructions to Designated Agent

1. Under this delegation, checks and bonds will be forwarded to you, the designated agent, for distribution in accordance with the following instructions:
 - (a) Checks and/or bonds shall not be delivered to payees prior to the issuance date appearing on them; however, they may be mailed as authorized in (b) prior to the issuance date, if it is determined that delivery will not be made that date.
 - (b) Checks shall be delivered personally by the designated agent, or by responsible personnel of the agency, to individual employees. In case of an emergency or where an employee is absent on leave, mailing requests may be honored subject to agency administrative approval. Any other mailing of checks is subject to waiver requirements outlined in I TFM 4A-3000.
 - (c) Bonds shall be delivered personally by the designated agent, or by responsible personnel of the agency, to individual employees. Bonds which are issued from non-computer generated media and which must be verified with agency records before release may be remailed, as applicable. Bonds which are issued from computer generated media may be mailed in cases of emergency or where an employee is absent on leave; however, these mailing arrangements are subject to agency administrative approval. Any other mailing of bonds is subject to waiver requirements outlined in I TFM 4A-3000.
 - (d) The insertion of an address on the face of a check or bond forwarded to the designated agent for delivery, or the correction of any data shown is not authorized.
 - (e) In those cases of emergency where an employee is absent on leave and a check is to be mailed, a check size insert should be prepared. The insert should be enclosed with the check in such manner that the name and address will appear in the window of the envelope. A duplicate of this insert or other suitable record shall be maintained to indicate the address to which the check has been mailed. When a bond is to be mailed, a mailing envelope with window should be used. When a bond is to be mailed to a person other than the owner, an insert showing the name and address should be placed in front of the bond. A records of all bonds mailed should also be maintained preferably through appropriate notations on the subscriber lists or issuance schedules. In mailing checks and bonds, disbursing check or bond envelopes should be obtained from the issuing disbursing office. It is permissible to mail checks and bonds in a bond envelope; however, where checks alone are to be mailed, they shall be mailed in a check envelope.
 - (f) No check or bond shall be delivered personally or by mail to an employee leaving the service until it has been determined that the employee is entitled to the full proceeds. If it develops that an employee is not entitled to the full proceeds of a check or bond or if any part of the information appearing on it is erroneous, the check or bond will be returned to the issuing disbursing office with a notation to that effect.
 - (g) Checks and bonds which should not, or cannot, be delivered by the designated agent in accordance with these instructions will be returned to the issuing disbursing office within 5 days after receipt. The only exception is when employees are on leave; checks and bonds may then be held for 30 days. All checks and bonds shall be kept in a combination lock safe or locked fireproofed cabinet pending distribution or return to the issuing disbursing office. Checks and bonds returned to the issuing disbursing office will be accompanied by a statement giving the reason for their return.
2. If the designated agent or an agency messenger calls at the disbursing office for checks and bonds, signature acknowledgement of receipt will be required. Before release of checks to a messenger, it will be necessary that the designated agent's written request for delivery contain both signatures and be filed with the disbursing office. The Disbursing Offices will not ordinarily require acknowledgement for receipt of checks and bonds mailed to the designated agent for distribution.

Part 4A—Chapter 4000

REQUIREMENTS FOR NON-TREASURY DISBURSING OFFICERS (NTDOs)

This chapter addresses requirements for NTDOs.

Section 4010—Scope and Applicability

This chapter addresses applications and payment related processes that reside under the authority of the Department of the Treasury's (Treasury's) Financial Management Service (FMS), Payment Management, when payments are not processed by FMS. NTDOs must adhere to the letter and intent of the authorities, processes, and rules outlined in TFM Volume I, Part 4A, for the creation, issuance, and reporting of transactions.

Section 4015—Authority

31 U.S.C. § 3321(c)

Section 4020—Rules for Non-Treasury Disbursing Officer Report for Daily Disbursement Forecasting

Effective November 1, 2012, all NTDOs must report to Treasury **on a daily basis** their anticipated aggregate level of planned disbursements for each disbursing method [for example, wire, Automated Clearing House (ACH), check] for the following 5-day period. These reports are due to Treasury each business day by 2 p.m. eastern time. Each entity that performs its own disbursing should submit one consolidated report each day.

Each NTDO must submit a consolidated agency disbursement report no later than 2 p.m. eastern time each business day (effective November 1, 2012). FMS has prepared a template to standardize the reporting of this information. NTDOs can access the report template and instructions for completing the report at <https://www.fms.treas.gov/ntdo/index.jsp>.

FMS will review NTDO compliance and will report to NTDOs on the status of their compliance. FMS will provide assistance to NTDOs not in compliance or those requesting assistance with proper reporting.

4020.10—Rules Under Government Fiscal Crisis

In the event of a Government budget year transition or debt ceiling constraint, Treasury will invoke rules for the processing of payments that flow through the Federal Reserve Banks (FRBs) and debit the U.S. Treasury's General Account (TGA).

Rules to follow under a Government budget year transition or debt ceiling constraint include:

- An NTDO will only be able to send files to FRB ACH 1 business day in advance of the payment date. Depending on Treasury's cash position, when payment files get to the FRB 1 day in advance of the payment date they will be held. If Treasury

does not instruct the FRB to release the file by the end of the business day, then the file may be purged. In the event that a file is purged, the NTDO must have the ability to resubmit or to create a new payment file with a new payment day.

- Treasury may instruct the Federal Reserve to disable Fedwire capabilities for NTDOs depending on the available balances in the TGA. Treasury will work with NTDOs and the Federal Reserve regarding issuance of Fedwire payments.
- Treasury checks will be settled by the FRB based on instructions from Treasury.

Section 4025—Submission of Vouchers to DOs Other Than Treasury DOs

Agencies submit the original and one copy of the basic vouchers prepared on Government standard forms or on forms otherwise specifically authorized; and invoices, bills, or statements of account serving as basic vouchers, to the DO for payment processing. The DO records the payment data on both the original and the copy of the voucher. The DO submits the original voucher as accounting support for the payment transaction and retains the voucher copy for the accounting document files.

4025.10—Use of Invoices in Place of Vouchers

NTDOs are not required to use the Secure Payment System (SPS) for disbursements, subject to requirements set by the appropriate disbursing office. Vendors' invoices, bills, or statements of account may be used as basic vouchers, in place of the prescribed vouchers, in support of the agency's accounts and accountability statements, provided they show all the information required in Title 7 of the Government Accountability Office (GAO), *Policy and Procedures Manual for Guidance of Federal Agencies*.

Section 4030—Governmentwide Accounting

Before October 1, 2014, if agencies are not "CARS Reporters" because they do not report classification at initiation of the payment or through the Payment Information Repository (PIR,) then they will report payment disbursements to an appropriation on the:

- FMS 224: Statement of Transactions;
- OR
- SF 1218: Statement of Accountability (Foreign Service Account);
- FMS 1219: Statement of Accountability;
- FMS 1220: Statement of Transactions According to Appropriations, Funds, and Receipt Accounts;
- SF 1221: Statement of Transactions [According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account)].

See TFM Volume I, Part 2, Chapter 3200, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c320.txt> for additional information on reporting foreign currency payments.

4030.10a—Agencies Using Eight-Digit ALCs

Agencies using eight-digit ALCs report foreign currency disbursements to an appropriation on their FMS 224s.

4030.10b—Agencies Using Four-Digit ALCs

Agencies using four-digit ALCs do not report foreign currency disbursements on their FMS 224s. Instead, they report a charge to the agency appropriation indicated on the SF 1166: Voucher and Schedule of Payments, for these disbursements on an SF 1221. An agency receives confirmation of the disbursement of foreign currency payments and the amounts of the U.S. dollar equivalent of those payments. These reports include:

- The SF 1221, providing summary charges to agency appropriations for the amount of the U.S. dollar equivalent of the payments disbursed;

AND

- The Voucher Auditor's Detail Report, providing detailed information (including check number, amount, and issue date) on each payment disbursed.

For additional information on reporting, see TFM Volume I, Part 2, Chapter 3100, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c310.html>, and TFM Volume I, Part 2, Chapter 5100, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c510.html>.

After October 1, 2014, all agencies must use CARS applications and must submit the CARS Treasury Account Symbol (TAS)/Business Event Type Code (BETC) reporting classification of each payment.

All Federal agencies not using Treasury disbursing office services must submit disbursement related transaction information to CARS via PIR.

Agencies are encouraged to use a valid TAS/BETC combination and to subsequently reclassify when appropriate


in CARS. The Shared Accounting Module (SAM) Web site at <https://www.sam.fms.treas.gov/sampublic> provides FMS reference data for TAS/BETCs.

Section 4035—Payment Information Repository (PIR)

PIR is a payment reporting tool that supplies the latest information on disbursements and the detail of payment transactions for Federal agencies.

In December 2012, FMS will decommission CASHLINK II and users will split along business lines to see their payment and collection debits and credit data in the Collection Information Repository (CIR) formerly referred to as the Transaction Reporting System (TRS) and PIR. After CASHLINK II is decommissioned, agencies that disburse their payments through FRBs must access PIR to view all payment related debit vouchers and credit vouchers. See the FMS Web site at <http://www.fms.treas.gov/pir/index.html> for enrollment procedures for accessing PIR.

After October 1, 2014, PIR will be the vehicle for NTDOs to classify payments to CARS. NTDOs can begin reporting through PIR in January 2013. With the exception of transactions that are specifically identified by Treasury as not going through PIR, all NTDOs with payments, or other debit activities that affect the TGA, must report to Treasury payments and/or any returned payments through PIR.

NTDO agencies must submit GWA TAS/BETC reporting classification at initiation of the payment daily through PIR using the Standard Reporting Format (SRF) . The PIR will report NTDO payments to CARS.

Agencies that issue Treasury checks will no longer submit their check issues files using the current Treasury Check Information System (TCIS) format once they are fulltime users of PIR. NTDOs that issue checks and report them monthly on the check issues file to TCIS will move to daily

reporting of checks to PIR using the PIR SRF. PIR files containing check payments will be consumed by both PIR and TCIS. The requirements and rules for check issue reporting as outlined in the PIR SRF replace the requirements in TFM Volume I, Part 4, Chapter 6000, subsections 6020.10 through 6025.10, 6040.10, and 6045.10, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p4c600.html>. For information on submitting claims for nonreceipt of checks drawn on the U.S. Treasury, see TFM Volume I, Part 4, Chapter 7000, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p4c700.html>.

4035.10—Submission of Files

As outlined in the PIR SRF, agencies must submit the files to PIR 1 day after the date of payment. The “date of payment” is defined below for various methods of payment.

- **Check Payments**—The date of payment is the issue date of the check (the date inscribed on the check). Files containing check payments will be consumed by both PIR and TCIS. (For more information on TCIS, see the FMS Web site at <http://www.fms.treas.gov/tcis/questions.html>.) All validation messages for check payment files are communicated via the Transmittal Control and Disbursing Office Maintenance System.
- **ACH (original and return) Payments**—The date of payment is the settlement date of the ACH transaction, which is in the acknowledgement received from FedACH.
- **Wire and International (ITS.gov) Payments**—The date of payment is the value date specified in the payment request.

4035.20—PIR Standard Reporting Format (SRF)

Agencies use the PIR SRF to submit one or more files, each containing one or more batches. A batch is described below based on the method of payment.

- **ACH (original payment and returns), Wire, International (ITS.gov)**—All transactions that are accounted for with a single voucher (SF 5515/SF 215) should be included in a batch.
- **Check**—All checks issued with the same DO symbol and sequential contiguous serial numbers should be included in a batch. This represents the current issue file sent by NTDOs to TCIS.

Note: Agencies that do not submit payments with the TAS/BETC classified on the SRF 1 day following the date of payment will have their vouchers default in CARS to the default TAS/BETC defined in SAM for payment transactions. Then, the agency must reclassify the voucher in the CARS Classification Transaction Accountability (CTA) module. Agencies must clear the default account by the third workday after monthend or it negatively impacts the quarterly scorecard that is sent to agencies’ Chief Financial Officers.

Note: Only the Department of Defense may receive a waiver from the timely reporting of payment transactions when ships or active service units are operating under “brown-out” or “silent running” conditions, where nonmission critical transmissions are prohibited.

Section 4040—Delegated Disbursing Authority

In accordance with 31 U.S.C. § 3321(b), this section prescribes procedures and policies by which FMS delegates officers and employees of other Federal agencies with the authority to disburse public money. It is consistent with FMS’s continuing oversight over

agencies that are delegated disbursing authority.

This section does not pertain to Federal agencies that are granted authority to disburse public money by statute. See 31 U.S.C. § 3321(c).

4040.10—Standards for Delegating Disbursing Authority

FMS delegates disbursing authority in limited cases for purposes of “economy and efficiency,” consistent with the requirements of 31 U.S.C. § 3321(b). Thus, FMS approves an executive agency’s request for delegated disbursing authority only if, among other things:

- An agency requires a particular level of service for disbursing funds that FMS cannot provide;
- The delegation would be more efficient and cost effective to the Federal Government and the public;
- The agency’s needs preclude the cash management needs of the Treasury;

AND

- The requesting agency submits its request for delegated disbursing authority, in writing, to Treasury’s Chief Disbursing Officer (CDO). The request must be on agency letterhead and must be signed by the Head of the Agency or his or her designee. The letter must include adequate documentation of the agency’s business need for delegation and must provide assurance to Treasury that the agency, if the delegated disbursing authority, will maintain effective internal controls and will comply with pertinent security guidelines.

4040.20—Delegated Disbursing Authority Document

In those limited cases when FMS, in its sole discretion, determines that an agency has met the requirements to be

delegated disbursing authority, FMS executes a written Delegated Disbursing Authority Document. The Delegated Disbursing Authority Document sets forth specific terms, conditions, and limitations of the particular delegation.

FMS has the authority to amend the specific terms of the Delegated Disbursing Authority Document, as necessary and appropriate. Before FMS finalizes any amendment, it provides advance notice to the agency, in writing, setting forth the specific purpose and reasons for the proposed amendment. FMS gives the agency the opportunity to submit comments on any proposed amendment. However, FMS retains sole decisionmaking authority to finalize amendments to the Delegated Disbursing Authority Document.

4040.30—Authorities of Treasury's CDO

When Treasury's CDO delegates disbursing authority to an agency in accordance with 31 U.S.C. § 3321(b), the CDO:

- Maintains oversight authority over the disbursing function as demonstrated, in part, by the terms of this chapter. Consistent with this authority, the CDO retains the authority to revoke an agency's disbursing authority delegation.
- Has the right to require that the agency's operations be inspected and examined to ensure compliance with delegated disbursing authority requirements.
- Prescribes and approves procedures for disbursing functions as outlined in this section of the TFM; TFM Volume I, Part 4A, Chapter 2000, Section 2045, for agencies with authority to disburse imprest funds; and the *Agency Self-Certification Guide* on the FMS Web site at <http://www.fms.treas.gov/tfm/>

voll/agency_self-certification_guide_v13.pdf.

- Requires agencies to obtain a third-party assessment of the need for the delegated authority;
- Requires agencies with delegated disbursing authority to submit immediately to the CDO any irregularity in their accounts involving such disbursement activity.

4040.40—Responsibilities and Liabilities of an Agency With Delegated Disbursing Authority

An agency that is delegated disbursing authority by the CDO under 31 U.S.C. § 3321(b) assumes significant responsibilities and liabilities, including but not limited to:

- Responsibilities and liabilities of a disbursing official and cashier as set forth under 31 U.S.C. § 3322, § 3325, and § 3528.
- Full accountability and liability for all disbursements issued under the delegation. The agency must not delegate the duties and functions related to the delegation to another party without consultation and prior written approval by the CDO.
- Reporting of all disbursements made under the delegation in the agency's payment accounting reports to FMS, using the appropriate agency accounting codes, as authorized by FMS. The agency must submit immediately to the CDO any irregularity in accounts involving disbursement activity. Furthermore, the agency must resolve any irregularities or discrepancies associated with such reports.
- Periodically obtaining the services of a third party to assess the need for the delegated authority. This agency report will be provided to Treasury.

In addition, an agency with delegated disbursing authority must practice

effective security and internal control measures as prescribed by FMS (in Treasury Directive No. 71-10, etc.), GAO, and the Office of Management and Budget (OMB).

4040.50—Oversight Requirements

4040.50a—Review and Self-Certification Reporting Requirements

Every 2 years, the agency with delegated disbursing authority must conduct a review of its disbursing operations to ensure compliance with the following:

- Requirements set out in any applicable Delegation of Disbursing Authority Document executed in accordance with subsection 4040.20;
- Pertinent statutory, regulatory, and TFM requirements;
- The Federal Managers' Financial Integrity Act of 1982 (FMFIA), Public Law No. 97-255 (31 U.S.C. § 3512);

AND

- The Federal Financial Management Improvement Act of 1996 (FFMIA), 31 U.S.C. § 3512, note.

Following such review, agencies must submit a self-certification report to FMS stating whether or not they comply with these requirements. FMS advises agencies of the due date of these reports and provides them with the self-certification template to be included in the report. To the extent that an agency cannot certify that it complies with a specific requirement, the report must document the agency's planned corrective action to achieve compliance within an identified timeframe.

With regard to FMFIA, the self-certification form focuses solely on FMFIA, Section 2 reports (internal controls) and Section 4 reports (financial management systems). See 31 U.S.C. § 3512(d)(2) and (d)(2)(B); also see OMB Circular Nos. A-123 and A-127 for further information on Section 2 and

Section 4 requirements. Specifically, an agency must self-certify that its Section 2 and Section 4 reports provide reasonable assurance that the agency is in compliance with FMFIA, Section 2 and Section 4 requirements. To the extent that an agency self-certifies “noncompliance” or “qualified assurance” with Section 2 and Section 4 requirements, it must identify all material weaknesses and corrective action plans to achieve compliance within an identified timeframe.

With regard to FFMIA, the self-certification form focuses solely on FFMIA, Section 803(a), which requires each agency to “implement and maintain financial management systems that comply substantially with Federal financial management systems requirements.” Specifically, the agency must certify that it complies with FFMIA, Section 803(a) requirements, if applicable, and that this determination has been verified by independent audit, as referenced under FFMIA, Section 803(b). See 31 U.S.C. § 3512, note. To the extent that an agency self-certifies “noncompliance” with Section 803(a), it must identify “resources, remedies, and intermediate target dates necessary to bring the agency’s financial management systems into substantial compliance” with Section 803(a). See FFMIA, Section 803(c)(3) discussing the requirement for a remediation plan to achieve compliance.

The self-certification form includes a checklist and appropriate space for the agency to provide information on corrective or remediation plans, if necessary. FMS provides guidance to agencies on format and procedures for submitting the self-certification report in the agency compliance self-certification guide at http://www.fms.treas.gov/tfm/vol1/agency_self-certification_guide_v13.pdf.

4040.50b—Risk Assessment

When an agency’s self-certification report indicates the agency is not in compliance with one or more stated

requirements, FMS, in its sole discretion, may determine it is necessary that a risk assessment of the agency’s disbursing system be conducted. In making such a determination, FMS may consider such factors as the status and utility of the corrective and remedial plans identified by the agency to achieve compliance. The risk assessment is intended to evaluate, among other things, agency-identified deficiencies or material weaknesses in financial management systems, operations, and accounting and reconciliation procedures that may adversely affect the agency’s disbursing performance. The agency develops, and submits to FMS, a plan for conducting the risk assessment. The plan must identify the party who will conduct the assessment. Risk assessments are conducted in accordance with FMS’s risk assessment guide or another guide that meets Treasury’s standards and is approved by FMS. At FMS’s discretion, agencies must provide FMS with a copy of their FMFIA, Section 2 and Section 4 reports; FFMIA, Section 803(a) reports; and other audit information as part of any risk assessment.

4040.50c—Failure To Submit Required Self-Certification Reports and Information Required by a Risk Assessment

If an agency does not comply with the review and self-certification reporting requirements provided under subsection 4040.50a, or does not respond to requests for information in connection with a risk assessment as provided under subsection 4040.50b, Treasury’s CDO notifies the agency, in writing, of a final date certain for complying with such requirements. The CDO reserves the right to revoke the agency’s disbursing authority delegation in accordance with subsection 4040.30, if the agency fails to respond adequately to the terms of this written notice by the indicated final date certain.

4040.60—Termination of Delegated Disbursing Authority

The CDO may terminate an agency’s delegation of disbursing authority if FMS determines, in its sole discretion, that:

- The risk assessment conducted under subsection 4040.50b warrants such action;
- The agency fails to respond adequately to the terms of the written notice from the CDO, referenced in subsection 4040.20;
- A third-party review indicates that the agency’s need for delegated authority no longer exists, referenced in subsection 4040.40;
- The agency fails to comply with any of the responsibilities and liabilities of an agency with delegated disbursing authority, including but not limited to, those responsibilities and liabilities listed under subsection 4040.40;

OR

- The agency fails to comply with the terms of the Delegated Disbursing Authority Document executed under the authority of subsection 4040.20.

In addition, the CDO periodically reviews whether the agency continues to meet the standards for delegation of disbursing authority as set forth under 31 U.S.C. § 3321(b) and subsection 4040.10. The CDO may terminate an agency’s delegation of disbursing authority when FMS determines, in its sole discretion, that the agency no longer meets such standards.

The CDO notifies the agency, in writing, that its delegation of disbursing authority is being terminated. Before any termination action is taken, FMS and the agency work together to resolve all outstanding questions and issues. If this effort is unsuccessful, FMS consults with the agency to determine an appropriate effective date for termination and the resumption of Treasury disbursement

services. In determining the effective termination date, FMS and the agency consider the mission of the agency and

the needs of its payees. If FMS and the agency cannot reach a mutual decision on the effective date for termination,

FMS determines the effective date and notifies the agency.

CONTACTS

Direct inquiries concerning this chapter to:

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Financial Management Service
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Liberty Center, Room 335
401 14th Street, SW.
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Financial Management Service
Department of the Treasury
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