

C.1 CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets consist of coins, paper currency, undeposited collections, imprest funds, readily negotiable instruments, amounts on demand deposit, foreign currencies, gold and special drawing rights. Reporting entities must be able to assert that any reported Cash and Other Monetary Asset balances can be readily substantiated.

Standards and Guidance

Additional sources of guidance pertaining to financial management, accounting and record retention policies for Cash and Other Monetary Assets are contained in the following table.

Financial Management and Accounting Guidance	Record Retention Policies
<ul style="list-style-type: none"> SFFAS No. 1 (and amendments) Treasury Financial Manual DoD FMR: Volume 4, Chapter 2 DCFO Memorandum: <i>Accurate and Reliable DoD Component-level Financial Management Trial Balances</i> 	<ul style="list-style-type: none"> National Archives and Records Administration (NARA) General Records Schedule (GRS) 1.1 DoD FMR: Volume 1, Chapter 9

Balance By Reporting Entity

The following reporting entities comprise the Cash and Other Monetary Assets line item.

Reporting Entities	FY 2015 Balance	% of Total
OMB Designated Audit		
Army GF	\$ 862,975,714	75.5%
Air Force GF	64,239,737	5.6%
Navy GF	100,402,469	8.8%
Marine Corp GF	5,631,565	0.5%
Navy WCF	3,778,089	0.3%
Army WCF	4,149,885	0.4%
USACE – Civil Works Program	577,114	0.1%
Subtotal - OMB Design. Audit	\$ 1,041,754,572	91.2%
DoD Designated Audit		
DHA - Contract Resource Mgmt	21,187	0.0%
DHA - SMA/Army	206,064	0.0%
MERHCF	28,942	0.0%
DoD Component Level Accounts	1,912,499	0.2%
DeCA WCF	90,548,932	7.9%
DeCA GF	4,527,447	0.4%
Subtotal - DoD Design. Audit	\$ 97,245,072	8.5%
DoD Designated Exam		
Other TI-97 Funds - Army	\$ 3,173,594	0.3%
Subtotal - DoD Design. Exam	\$ 3,173,594	0.3%
DoD Non-material Reporting Entities		
Other Reporting Entities	113,991	0.0%
Total	\$ 1,142,287,230	100.0%

Source: FY 2015 Reporting Entity DDRS-AFS Balance Sheets

Line Item Audit Readiness Considerations

The following table presents financial reporting risks, FROs and KSDs specific to Cash and Other Monetary Assets. In order to assert audit readiness for this line item, reporting entities must demonstrate that effective controls are in place to achieve the FROs relative to the risk associated with the assertion (as noted in the table). The suggested test procedures can be used to test key controls operating within the business processes affecting Cash and Other Monetary Assets, and assess the availability of KSDs that support the controls and amounts recorded.

Financial Reporting Risks	Outcomes Demonstrating Audit Readiness	Key Supporting Documents	Suggested Test Procedures
Cash and Other Monetary Assets			
CA.1	Recorded Cash and Other Monetary Assets may not exist at a given date, do not pertain to the reporting entity, or may be improperly classified and summarized (E) (Wave 4, ROMM #8, #19, #20, #21, and #22)	Recorded Cash and Other Monetary Assets represent amounts actually received by the reporting entity and are properly classified (Wave 4, FRO #1)	Deposit tickets (SF-215s), IPAC/GOALs reports supporting cash collection dollar amounts (Wave 4, KSD #64) Cash receipts logs (Wave 4, KSD #65) Bank reconciliations and bank cutoff statements (Wave 4, KSD #66) Checks, IPAC statements (Wave 4, KSD #67)
	CA.2	Valid Cash and Other Monetary Assets may be omitted from the Balance Sheet or may be improperly classified and summarized (C) (Wave 4, ROMM #31, #42, #43 and #44)	All Cash and Other Monetary Assets are recorded in the proper accounting period and are accurately classified and summarized (Wave 4, FRO #2 and #77)

Financial Reporting Risks	Outcomes Demonstrating Audit Readiness	Key Supporting Documents	Suggested Test Procedures
Cash and Other Monetary Assets			
		<p>Bank reconciliations and bank cutoff statements (Wave 4, KSD #66)</p> <p>Checks, IPAC statements (Wave 4, KSD #67)</p> <p>DD Form 2657 – Daily Statement of Accountability</p>	<ul style="list-style-type: none"> all deposited cash was recorded in the general ledger. <p>Select a sample of Disbursing Officers and perform test cash counts by comparing cash amounts on hand to the daily cash log or reconciliation (e.g., DD Form 2657 – Daily Statement of Accountability) utilized by the Disbursing Officer to account for cash on hand.</p> <p>See also Suggested Test Procedures for CA.1</p>
CA.3	Cash and Other Monetary Assets included in the financial statements may be recorded at incorrect amounts, or are valued on an inappropriate basis (V) (Wave 4, ROMM #52, #64, #65, and #66)	Cash and Other Monetary Assets are recorded at correct amounts and valued on an appropriate valuation basis (Wave 4, FRO #2)	<p>Deposit tickets (SF-215s), IPAC/GOALS reports supporting cash collection dollar amounts (Wave 4, KSD #64)</p> <p>Cash receipts logs (Wave 4, KSD #65)</p> <p>Bank reconciliations and bank cutoff statements (Wave 4, KSD #66)</p> <p>Checks, IPAC statements (Wave 4, KSD #67)</p> <p>Applicable currency exchange rate tables, including explanation of foreign exchange rate used for obligation (e.g., budget rate memo) and payment (e.g., local bank rate)</p> <p>For any foreign currencies held, review and recalculate translations of foreign currencies to determine whether foreign currency was translated accurately (using the current and correct exchange rates).</p> <p>See also Suggested Test Procedures for CA.1</p>
CA.4	The reporting entity may not have rights to recorded Cash and Other Monetary Assets due to liens, pledges, or other restrictions (R) (Wave 4, ROMM #71)	The reporting entity has the rights to recorded Cash and Other Monetary Assets at a given date (Wave 4, FRO #3)	<p>Deposit tickets (SF-215s), IPAC/GOALS reports supporting cash collection dollar amounts (Wave 4, KSD #64)</p> <p>Bank reconciliations and bank cutoff statements (Wave 4, KSD #66)</p> <p>Select a sample of recorded cash receipt transactions and perform an inquiry and examine documentation to determine whether the corresponding cash receipt log, deposit ticket, and bank cutoff statement exist and substantiate amount recorded.</p>
CA.5	IT General and Application Controls may not be appropriately designed or operating effectively (FISCAM)	All material systems achieve the relevant FISCAM IT general- and application-level general control objectives.	See FIAR Guidance Section 3.D.2, "Systems (IT) Controls," for additional details related to IT General and Application Controls audit readiness activities

Footnote Disclosures

Reporting entities are responsible for ensuring the completeness and accuracy of data provided to OUSD(C) for the preparation of the **Cash and Other Monetary Assets** footnote disclosures included in **Note 7** of the FY 2014 DoD Agency Financial Report. OMB Circular A-136, *Financial Reporting Requirements*, specifies fundamental requirements for Cash and Other Monetary Asset footnote disclosures that reporting entities must consider in carrying out audit readiness activities. The Financial Reporting assessable unit in the FIAR Guidance provides further details with respect to audit readiness outcomes that address the presentation and disclosure assertion for the financial statement line items.