

**VOLUME 5, CHAPTER 2: “DISBURSING OFFICES, OFFICERS, AND AGENTS”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue, and underlined font\*\*\*](#).

The previous version dated [July 2021](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
4.6.2.9	Removed duplicative information.	Deletion
4.6.3.1.3 thru 4.6.3.1.7	Removed duplicative information and renumbered accordingly.	Deletion
4.6.3.2 and 4.6.3.2.1	Removed duplicative information.	Deletion
7.1	Removed procedural content and renumbered subparagraphs accordingly.	Deletion
10.3	Removed procedural content.	Deletion
Figure 2-1	Deleted procedural figure.	Deletion

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## CHAPTER 2

**DISBURSING OFFICES, OFFICERS, AND AGENTS**

## 1.0 GENERAL

## 1.1 Overview

Title 31, United States Code (U.S.C.), section 3321(c) (2) ([31 U.S.C. § 3321\(c\)\(2\)](#)) allows the Secretary of Defense to designate [personnel of DoD](#) as disbursing officials to disburse public money available [for expenditure](#). In order to disburse money, an activity must send a request to establish a disbursing office. When establishing disbursing offices and associated appointments of accountable positions, DoD Components must be cognizant of internal control guidelines provided in Chapter 1, paragraph 3.5.

## 1.2 Purpose

This chapter addresses policy on DoD's establishment of a disbursing office. A disbursing office is considered necessary for the efficient functioning of an operating activity. This chapter also addresses the appointment of the Disbursing Officer (DO) and other agents appointed to receive and maintain the custody of public funds.

## 1.3 Authoritative Guidance

Official funds will be received and disbursed by order or on the authority of the commanding officer, except when directed by a superior in the chain of command or when sanctioned by the Comptroller General of the United States. Under [31 U.S.C. § 3325](#) DoD DOs are authorized to disburse public funds on receipt of vouchers properly certified.

## 2.0 POLICY

## 2.1 Request for Establishment of a Disbursing Office

2.1.1 An activity requesting to establish a disbursing office at a new activity, or an activity receiving disbursing services from an external source, sends a memorandum through its chain of command. Each level of command endorses the request to indicate concurrence and provides any additional information required by the approving official. The chain of command forwards the memorandum to the Defense Finance and Accounting Service, Indianapolis (DFAS-IN), ATTN: Enterprise Solutions and Standards, Disbursing (DFAS-IN/JFKDC), 8899 East 56th Street, Indianapolis, IN 46249-0500. The request must include:

2.1.1.1. A statement justifying why an office is required and why the disbursing operation cannot be conducted by an existing disbursing activity;

2.1.1.2. Anticipated workload: number of military and civilian personnel to be supported, and commercial vendor services vouchers to be settled;

2.1.1.3. Proposed date of establishment;

2.1.1.4. Name and location of the nearest Federal Reserve Bank (FRB) or branch, and its distance from the proposed disbursing office. If there is no FRB or branch within a reasonable distance, include the name and location of the nearest designated depository, if any, and its distance from the proposed office;

2.1.1.5. An estimation of U.S. Department of the Treasury (Treasury) checks needed for the first year of operation (see Chapter 7, section 3.1);

2.1.1.6. Name, social security number, and rank or grade of the proposed DO, if known;

2.1.1.7. An estimation of monthly cash requirements (see Chapter 3, section 2.3); and

2.1.1.8. Information on plans to implement an automated disbursing system.

2.1.2. The memorandum also addresses the appointment of the DO and his or her appointed agents to regularly receive and maintain custody of public funds. The DO may appoint any officer, enlisted member, or civilian employee he or she considers satisfactory as an agent.

## 2.2 Disbursing Station Symbol Number (DSSN)

2.2.1. DSSN. The DFAS-IN/JJFKDC obtains the DSSN from the Treasury's Bureau of Fiscal Service (Fiscal Service). DSSNs are permanent, and are either open or closed. Open DSSNs are open for an indefinite period. Some open DSSNs may be inactive, and may be either:

2.2.1.1. Contingency, available for use in a military contingency operation;

2.2.1.2. Temporarily deactivated for a specific reason, (e.g., a ship undergoing extensive overhaul for a period of several months may arrange for disbursing service from a shore-based disbursing office or activity); or

2.2.1.3. In settlement pending closure (see section 10.0).

2.2.2. Change in Designation or Location. Coordinate proposed changes in the designation or location (mailing address) of an operating DSSN, to include tactical deployment, with DFAS-IN/JJFKDC, who will advise Fiscal Service.

2.2.3. Use of DSSN. The DSSN must appear on all payments, collection vouchers, and Treasury and limited depository account (LDA) checks processed by the disbursing activity.

### 2.3 Employer Identification Number (EIN)

The DO, who disburses taxable funds, should ensure payments received by entitlements' activities have secured an [EIN](#) to report taxable income or income and withholdings.

### 2.4 Reporting Activation of a Disbursing Office

The DO activating a disbursing office notifies Fiscal Service, Check Reconciliation Branch, through DFAS-IN/JJFKDC by memorandum immediately upon commencement of disbursing operations. Include in the memorandum: the name of the disbursing activity, DSSN assigned, DO's name, rank or grade, the opening date of the account, and the first and last serial number of all blank Treasury checks on hand in each check range. Send a copy of the memorandum to the supporting DFAS site.

## 3.0 APPOINTING DOs, DEPUTY DOs (DDOs), AND OTHER ACCOUNTABLE OFFICIALS

### 3.1 Persons Authorized to Have Custody of Public Funds

To ensure proper security and accounting for public funds, assign responsibility to a limited number of authorized persons to receive, maintain custody, and disburse or otherwise dispose of public funds.

### 3.2 Accountable Officials

Accountable Officials are officers or employees of an agency who are or who may be found to be pecuniarily liable for repayment of losses or deficiencies of public money, vouchers, checks, securities, or records (see Chapter 1, section [3.0](#)).

### 3.3 Appointments

Use DoD [\(DD\) Form 577](#), Appointment/Termination Record-Authorized Signature, to appoint accountable officials. This form does not allow multiple appointments simultaneously. It is the only document required to support this type of appointment. Send a copy of the DD 577 and the required original specimen signature as specified in subparagraph 4.4.1 to DFAS-IN/JJFKDC to be maintained in the DO's files.

### 3.4 Exceptions

3.4.1. An individual who occasionally receives public funds [does](#) not need [to](#) be appointed formally as an accountable official. Funds may be received at times, at locations, and under circumstances that preclude any advance arrangement for their receipt. At some activities, collections are so infrequent that it is impractical to have a formal designation in effect. Funds received by persons other than those formally designated must promptly send funds received to their servicing disbursing office or to another person formally designated to receive them.

3.4.2. The DO at DFAS sites may hold more than one DSSN, and may serve concurrently as a DDO to other DFAS DOs. Each DDO appointed by a DFAS DO may serve under one or more of the DSSNs assigned to the appointing DO and may also serve more than one DFAS DO concurrently. DOs and DDOs at DFAS sites holding multiple DSSN appointments complete a separate DD 577 for each applicable DSSN.

3.4.3. The DO and DDOs aboard Navy vessels may serve concurrently in other accountable positions, (e.g., ship's stores officer, food service officer) when the ship's manpower authorization does not provide Supply Corps officers for each accountable function (see Chapter 1, subparagraph 3.5.2).

3.4.4. When directed by appropriate authority, DOs, DDOs, and their agents may accept, safeguard, account, and dispose of personal funds and valuables received for safekeeping. Where personnel resources are limited, persons serving as DOs or other accountable officials may also serve as safekeeping custodians at the commander's discretion (see Chapter 16, paragraph 1.1).

### 3.5 Restrictions

Except as specifically authorized, do not assign DOs additional duties of order approving authority, certifying officer, custodian of any fund, or other conflict-of-interest assignment.

### 3.6 Terminations

Terminate appointments using Section IV of the appointing DD 577.

## 4.0 DOs

### 4.1 Eligibility

To be eligible for appointment as a DO, an individual must be a U.S. citizen and have previous experience as a DO or have completed (or agreed to complete) specific DO training as defined by the appointing authority.

### 4.2 Appointment

The commander, director, or other equivalent appoints a DO using a DD 577 (see paragraph 3.3).

### 4.3 Terminations

Terminate appointments using Section IV of the appointing DD 577.

#### 4.4 Submission of DD 577 and Fiscal Service (FS) Form 3023, Specimen Signatures

4.4.1. Official Signature. Before commencing disbursing operations, a DO and all appointed DDOs determine which of their given names and/or initials will comprise their official signatures, and use them on all checks, vouchers, correspondence, and official documents pertaining to the DoD, Government Accountability Office (GAO), and Treasury. Send DD 577 and FS 3023 to DFAS-IN/JJFKDC, having used permanent dark blue, blue-black, or black fade-resistant ink that is not readily soluble in water.

4.4.2. Official Signatures to Other Depositories. If checks will be drawn on a depository other than the Treasury, send the DO's official signature (as well as those of DDOs authorized to sign depository checks) to the depository. An officer whose signature is known to the depository must certify the forms.

4.4.3. Change of Official Signature. A DO or DDO may change his or her official signature by submitting a new FS 3023 to DFAS-IN/JJFKDC.

4.4.4. Furnishing Additional Signatures When Transferred to a New Station. The DFAS-IN/JJFKDC files specimen signatures under each DSSN used and furnishes them to different banks upon request for use in cashing and processing checks, and may request that a DO or DDO furnish an additional FS 3023. Since an individual's signature may change over time, DFAS-IN/JJFKDC may request additional signatures if needed.

#### 4.5 Commencement of Disbursing Duty

Immediately upon commencement of disbursing duties, a DO activating a new disbursing office, reactivating a disbursing office, or relieving another DO, prepares a memorandum that includes: name of the disbursing activity, DSSN assigned, DO's name, rank or grade, opening date of the account, and the beginning and ending serial number of all blank Treasury checks on hand in each check range. If applicable, also include the relieved DO's name and rank or grade. Keep the original memorandum in the disbursing office and sends copies to DFAS-IN/JJFKDC and the supporting DFAS site.

#### 4.6 Transfer of Disbursing Duty

4.6.1. Joint Actions by the Outgoing and Incoming DOs. The outgoing and incoming DOs establish the date to transfer accountability, subject to command approval. Since accountability is reported daily by a full Central Accounting Reporting System (CARS) daily reporter, a transfer of disbursing duty is not required to occur on the last day of the month, as required for CARS non-daily reporters. In a daily reporting environment, the Standard Form (SF) 1219, Statement of Accountability is no longer required to be submitted to the Treasury (see Chapter 15, section 6.0). When the transfer occurs, the outgoing and incoming DOs:

4.6.1.1. Verify cash on hand;

4.6.1.2. Verify all documents that support the SF 1219, as assets;



4.6.1.3. Verify and prepare a letter of transfer for all blank Treasury checks. Both DOs sign the letter. The incoming DO reports all checks issued by the outgoing DO that were not reported to the Treasury before the transfer of accountability. The Incoming DO also resubmits any rejected entries. Include the numbers of the blank checks the incoming DO receives in the commencement of disbursing duties memorandum. The first check in the series must be the next sequential number after the last check listed on the outgoing DO's last check issue report. The last check receipted should be the same as the last check number previously ordered and received by the outgoing DO. Research any checks missing or out of sequence and void them if necessary;

4.6.1.4. Verify stored value card stock (see Chapter 10, subparagraph 2.12.1);

4.6.1.5. Verify postal money orders on hand;

4.6.1.6. Verify safekeeping deposits (see Chapter 16, paragraph 4.2);

4.6.1.7. Prepare a memorandum of relief for submission to the commander if required by local regulations;

4.6.1.8. Verify and transfer all documentation supporting balances in clearing accounts \*\*F3880 (Unavailable Check Cancellations and Overpayments (Suspense)), \*\*F3875 (Budget Clearing Account (Suspense)), and \*\*F3885 (Undistributed Intra-governmental Payments). The Treasury Financial Manual (TFM), Volume 1, Part 4, Chapter 7000 (1 TFM 4-7000) and 1 TFM 2-1500, require these accounts be cleared to proper appropriations or funds as expeditiously as possible. To clear account \*\*F3880, the outgoing DO presents a detailed list of individual subsidiary transactions, supporting documentation, and current status. Documented evidence includes certification that the DO or designated DDO personally reviewed the balances in the account within the last month (see Chapter 7, subparagraph 11.9.5); and

4.6.1.9. Validate unreconciled differences (e.g., check issue and deposit discrepancies, Intra-governmental Payment and Collection system differences). In addition, ensure that the outgoing DO's accountability, the balance amount on the DoD (DD) Form 2657, Daily Statement of Accountability, is reconciled with the DO Cash Treasury Account Symbol (TAS) on the daily CARS Account Statement. If the outgoing DO cannot provide documentation supporting the unreconciled items, he or she processes the discrepancies as losses (see Chapter 6, section 4.0) or overages (see Chapter 6, section 8.0) of funds.

4.6.2. Actions by Outgoing DO. Upon relief from disbursing duty:

4.6.2.1. Terminate all DDO, agent, and cashier appointments and clear all related DD 1081(s), Statement of Agent Officer's Account;

4.6.2.2. Transfer all cash, negotiable instruments, money accounts, books, property, vouchers, and other retained records to the incoming DO;

4.6.2.3. Prepare and submit a final SF 1219. The incoming DO signs and marks it as "FINAL";

4.6.2.4. Prepare [and submit](#) a final SF 1179, Month End Check Issue Summary. The incoming DO signs and marks [it](#) as "FINAL";

4.6.2.5. Send a copy of the incoming DO's commencement of disbursing duty memorandum, including copies of all the letters of transfer of total accountability with the final SF 1219 to the DFAS [site](#) where financial reports are submitted;

4.6.2.6. Prepare and send a memorandum to the supporting DFAS site and DFAS-IN/JJFKDC advising of the date and check number of the last check issued;

4.6.2.7. Verify the destruction of signature plates or digitized [signature medium](#) being withdrawn from service (i.e., not to be used again). Follow the guidance in Chapter 7, subparagraph [5.2.6](#). When the medium has been destroyed, send a copy of the certificate of destruction to DFAS-IN/JJFKDC; [and](#)

4.6.2.8. Transfer custody of the check-signing machine to the incoming DO, if applicable.

4.6.3. Actions by the Incoming DO. The incoming DO ensures that all actions listed in this section are accomplished, documented, and verified before signing for the accountability. The actions listed are to be taken by an incoming DO before reporting to the new disbursing office or activity.

4.6.3.1. Upon commencement to disbursing duty:

4.6.3.1.1. Send [the FS 3023 and memorandum](#) to DFAS-IN/JJFKDC [and the DFAS site that receives the DO's financial reports](#). If signatures have been furnished previously as a DO or DDO, submission of [the FS 3023](#) is not required unless specifically requested or a change of official signature is desired. If the outgoing DO has an LDA with check stock, send specimen signatures to the LDA;

4.6.3.1.2. Contact the disbursing office or activity to determine if a check-signing machine is in use. Obtain all necessary information about the machine (make, model and number of media required);

4.6.3.1.2.1. If the incoming DO has never had a signature medium, provide three official signature specimens in addition to those required by paragraph 4.4, and request the required medium be ordered [and received](#) before the actual transfer date.

4.6.3.1.2.2. If a signature medium cannot be received or obtained before the actual date of transfer, the incoming DO may request DFAS-IN/JJFKDC [to](#) authorize the use of the outgoing DO's until a new one arrives, to allow continued efficient operations of the disbursing office. The incoming DO is accountable and pecuniarily liable for payments made on or after the date of the transfer of accountability.

4.6.3.1.3. Appoint at least one DDO and send the DD 577 and FS 3023 to DFAS-IN/JJFKDC. Appoint agents, cashiers, and other accountable officials as necessary;

4.6.3.1.4. Verify the adequacy of the safekeeping facilities for funds, blank checks, stored value cards, and other accountable documents. If the facilities are inadequate, report the deficiencies to the commander and request that proper facilities be provided (see Chapter 3, section 3.0);

4.6.3.1.5. Change all safe combinations;

4.6.3.1.6. Review cash on hand requirements. If the current cash holding authority is valid, the incoming DO may retain it until the normal resubmission date. Otherwise, the incoming DO submits a new cash holding authority request as soon as possible after assuming the account (see Chapter 3, paragraph 2.3); and

4.6.3.1.7. Notify all serviced activities, agencies, commercial concerns, and necessary stakeholders of the account holder change.

## 5.0 DDOs

### 5.1 Eligibility

An officer, enlisted member, or civilian employee acceptable to the DO and who is a U.S. citizen may be appointed as a DDO.

### 5.2 Appointment

DOs appoint their DDOs using the DD 577 (see paragraph 3.3).

### 5.3 Terminations

A DO may terminate a DDO's appointment at any time by completing Section IV of the appointing DD 577. When a DO is relieved from disbursing duties, he or she revokes the appointments of all DDOs. In all cases, send a copy of the DD 577 to DFAS-IN/JJFKDC. If another individual will succeed a DDO, send a copy of the appointing DD 577 and FS 3023 for the new DDO, with the copy of the notice of revocation to DFAS-IN/JJFKDC. If a DDO appointment is terminated for cause, include the reason for termination when sending the appropriate DD 577 to DFAS-IN/JJFKDC.

## 6.0 CHANGE IN THE STATUS OF DOs OR DDOs

### 6.1 Authorized Absence of DOs and DDOs

During an authorized absence, the DO remains accountable for the account unless or until it is officially transferred. [Accountability does](#) not need [to](#) be transferred unless, in the DO's judgment, not doing so would impair proper supervision. The DO must maintain an adequate system of controls to avoid errors and ensure the implementation and effectiveness of those controls. For relief of liability to be considered, the DO must show clearly what the procedures were and how they were implemented during the absence (e.g., records must show that any loss incurred was not the result of bad faith or lack of reasonable care).

### 6.2 Death, Incapacity, or Removal of a DO

6.2.1. [Death, Incapacity, or Removal of a DO](#). When a DO dies, is incapacitated, or is removed from disbursing duty for cause (including unauthorized absence), a DDO under [10 U.S.C. § 2773](#), may continue to disburse under the accounts of the DO through the last day of the second month after the month of death, incapacity, or removal. If there is more than one DDO, the commander, DFAS Director, or designee, as appropriate, designates one DDO to disburse in the DO's name.

6.2.2. [Responsibility of the Commander or DFAS Director](#). The commander, DFAS Director, or designee:

6.2.2.1. Seizes and seals all disbursing spaces, keys, property, and safe(s) to ensure the security of the funds, property, and spaces involved;

6.2.2.2. Appoints a board of at least three disinterested but qualified persons to inventory the vouchers, funds, and property on hand (see subparagraph 6.2.3);

6.2.2.3. Appoints based on the disbursing needs of the activity:

6.2.2.3.1. A custodian of the disbursing office's vouchers, funds, and property (see subparagraph 6.2.4); or

6.2.2.3.2. A qualified person (normally a DDO) to take charge of the DO's vouchers, funds, and property involved and perform as acting DO until a regular relief reports (or is appointed), or until the last day of the second month following the date of death, incapacity, or removal (see subparagraph 6.2.5); and

6.2.2.4. Notifies the supporting DFAS site of all actions taken and provides an information copy to DFAS-IN/JJFKDC.

6.2.3. Responsibility of the Inventory Board. The appointed board, as prescribed in subparagraph 6.2.2.2, inventories all public funds, including advances to deputies, agents and cashiers; vouchers evidencing receipt, transfer, or disbursement of funds; safekeeping deposits; stored value cards, if applicable; and property of the DO in the presence of the immediate custodians and the appointed custodian, acting DO, or incoming DO. In addition, the appointed board must verify the departed DO's accountability balance on the DD 2657 is reconciled with the DO Cash TAS on the daily CARS Account Statement. If there is no documentation supporting the unreconciled items, the incoming DO processes the discrepancies as losses (Chapter 6, section 4.0) or overages (Chapter 6, section 8.0) of funds.

6.2.3.1. The board verifies all official records to determine that the cash on hand agrees with the records, verifies that all checks and stored value cards issued in the current accounting period have been properly accounted for, and inventories blank checks to determine if any are missing.

6.2.3.2. If the board discovers a shortage or deficiency, the commander takes the actions prescribed for losses of funds or deficiencies in the DO's account as prescribed in Chapter 6, section 4.0.

6.2.3.3. All members of the board prepare and certify an original and four copies of the inventory as true and accurate. The board turns over all public funds and property certified on the inventory to the appointed custodian, acting DO, or incoming DO. The incoming DO retains a copy of the inventory report, provides the original to the commander, and a certified/notarized copy to each member of the board.

6.2.4. Responsibility of the Custodian. The custodian, on receipt of the original inventory, assumes custody of the public funds, and property held by the former DO. No transactions other than collections may be conducted. When the incapacitated DO returns, or a new, permanent DO reports, the custodian and the DO inventory and transfer all vouchers, funds, and property as prescribed in the relief procedures.

6.2.5. Responsibility of the Acting DO.

6.2.5.1. The DDO appointed to serve as the acting DO performs and is accountable for all official duties that would have been required of the DO, to include submitting financial reports for the DO as of the date of death, incapacity, or unauthorized absence. Include only those vouchers actually paid by the former DO in the reports. The DDO submits the reports in the name of the former DO.

6.2.5.2. Include in the reports: information on the date of death, incapacity, or unauthorized absence; and the fact that transactions included were made by the former DO. Include vouchers for which checks have been drawn but not delivered in the first reports covering transactions made by the DDO. Submit subsequent financial reports at the normally prescribed times in the name of the former DO, signed by the DDO, and include only transactions made by the DDO under authority of subparagraph 6.2.5.1. Do not merge the financial reports of transactions performed by an acting DO with those of the officer for whom he or she was appointed, or with those submitted by the regular relief after the disbursing duties are assumed.

6.2.5.3. The DDO signs all checks drawn in the manner normally used when the DDO signs checks. If the volume of checks warrants, the acting DO may use the former DO's signature plates. The acting DO is [accountable and pecuniarily liable](#) for all payments and official acts subsequent to the death, incapacity, or unauthorized absence of the DO.

6.2.6. Responsibility of the Incoming DO. If the commander appoints an individual as DO to relieve the deceased, incapacitated, or removed DO, the incoming DO is responsible for performing all actions required in subparagraph 6.2.3, and for rendering financial reports in his or her own name.

6.2.7. Administration of the Accounts of a Deceased, Incapacitated, or Removed DO. The commander should strive to protect the rights of a deceased, incapacitated, or removed DO, as well as the custodian, acting DO, or incoming DO so that, for any differences discovered during settlement of the accounts, responsibility may be assigned to the appropriate individual. The acting or incoming DO completes the vouchers, closes the accounts, maintains custody of records, and renders the final reports of the outgoing DO. Further, the individual signs documents prepared in connection with the administration and settlement of the accounts of the outgoing DO as follows:

\_\_\_\_\_  
(Name of Disbursing Officer)

By \_\_\_\_\_  
Acting (appointed per 10 U.S.C. § 2773)

The commander of an exonerated DO restored to duty, following arrest, suspension, or other incapacity, directs a second inventory to be taken by the restored DO and the custodian, acting DO, or incoming DO. The guidance in subparagraph 4.6.1 regarding the transfer of accountability from an outgoing to an incoming DO applies.

6.2.8. DDO at Branch Disbursing Office. Upon the death, incapacity, unauthorized absence, arrest, or other emergency absence of a DDO at a branch disbursing office, the local commander advises the DO as expeditiously as possible. Depending upon the circumstances, the DO requests the [local](#) commander to appoint a board to inventory the [accountability](#) and property of the DDO and appoint a suitable person to take custody of the [accountability](#) and property until the DO can take an inventory. If practical, the DO takes an inventory of the [accountability](#) and property in the presence of a competent witness.

## 7.0 OTHER AGENTS OF DOs

### 7.1 Agents

Officers, enlisted members, or civilian employees satisfactory to both the appointing officer and DO may be appointed as agents, (e.g., disbursing agents (DA), cashiers, paying agents (PA), collection agents, change fund custodians, imprest fund cashiers). No agent may be appointed or used over protest of the accountable DO, serve concurrently in any other accountable position, or be charged with the handling or custody of any other funds (see paragraph 3.5).

7.1.1. DOs' agents are pecuniarily liable under accountable official laws for losses of public funds in their possession. When appointing agents, appointing authorities should carefully consider appointing non-U.S. citizens as accountable officials. In some instances, foreign nationals and other non-U.S. citizens may be precluded from being held pecuniarily liable for losses of funds (see Chapter 1, subparagraph 3.3.3.3).

7.1.2. From a security standpoint, do not allow an excessive number of individuals access to public funds.

7.1.3. After an individual ceases to serve in an appointed position, the DO maintains appointing documents for a retention period following the guidance in Chapter 15, section 8.0. Appointments as agents of DOs are effective only while the DO continues to serve as DO of that disbursing activity.

7.1.4. The appointing officer terminates appointments when appropriate (e.g., when the DO is relieved, when the agent ceases to perform the duties for which appointed, or for cause (see subparagraph 4.6.2.1), using Section IV of the original appointing DD 577.

## 7.2 Disbursing Agents

7.2.1. Duties and Responsibilities. A DA is a DO's agent who is not a DDO. A DA's responsibilities can include all duties, assignments, and functions of a DDO except the authority to sign Treasury checks.

7.2.2. Establishing Positions. The appropriate major command or Defense Agency establishes DA positions in writing.

7.2.3. Appointments. The DO appoints DAs following paragraph 3.3, which includes the appointee's acknowledgement. The DO sends the original copy to the DA, a copy to the office where the duties are performed, and retains a copy on file.



### 7.3 Cashiers

7.3.1. Selection Criteria. An officer, enlisted member, or a civilian employee with working knowledge of the cash functions and operations, and acceptable to the DO, may be appointed as a cashier. The DO should also obtain a credit report, if access to a credit reporting service is available, charging the associated costs to the Operations and Maintenance funds available to the activity. Safeguard credit reports against unauthorized access.

7.3.2. Duties and Responsibilities. Cashiers disburse, collect, and account for cash; and perform other duties as required concerning the receipt, custody, safeguarding, and preparation of checks. A cashier may prepare DO accountability reports, but the DO, DDO, or DA must personally validate them.

7.3.3. Appointments. The DO appoints cashiers following paragraph 3.3, which includes the appointee's acknowledgement. The DO sends the original copy to the cashier, a copy to the office where the duties are performed, and retains a copy on file.

7.3.4. Restrictions. A cashier may not:

7.3.4.1. Sign checks;

7.3.4.2. Accept checks drawn (and endorsed to the cashier) in the name of the DO, DDO, or DA to procure and disburse cash for any purpose;

7.3.4.3. Prepare billing documents and accept collections for the same items. This restriction also applies to a DA performing cashier duties;

7.3.4.4. Prepare vouchers that they will later pay; and

7.3.4.5. Prepare vouchers on days when they perform cashier functions.

### 7.4 PA

7.4.1. Appointments. Commanders appoint PAs only when adequate payment, check cashing, or currency conversion services are not otherwise available (see paragraph 3.3). Appointments are for a specific transaction or time period. Do not appoint PAs solely as a convenience when a DO, DDO, DA, or cashier can make the required transactions. In unusual situations (e.g., payments or currency conversions must be made at remote locations where use of checks is not feasible), the DO may request a remote location commander appoint a PA to make the necessary payments for and in the name of the DO from cash advanced for that purpose.

7.4.2. Restrictions. PAs may not act as certifying officers (see Chapter 5, section 3.4) or purchasing officers. Escort officers serving as PAs for expenses related to official travel may likewise not be purchasing officers. See Chapter 1, subparagraph 3.5.2 for guidance on separation of duties and Chapter 5, subparagraph 3.1.2 for guidance applicable to micro-purchases in contingency operations.



## 7.5 Collection Agents

7.5.1. Establishing Positions. Commanders may establish collection agent positions to receive funds derived from functions such as hospitalization fees and other charges at medical facilities (e.g., communication charges, rentals and other charges at housing developments, fees for research or reproduction of records, safekeeping deposits where the safekeeping function is not performed by the DO, and similar functions when appropriate).

7.5.2. Appointments. The commander appoints collection agents following paragraph 3.3. Unless revoked by the appointing authority, collection agent appointments remain in effect through succeeding appointing authorities.

## 7.6 Change Fund Custodians

7.6.1. Duties and Responsibilities. A change fund custodian receives a change fund from the parent DO, safeguards it, is pecuniarily liable for any loss, and makes change for sales transactions. The commander provides a detailed description of duties to be performed.

7.6.2. Establishing Positions. The sales activity commander (e.g., commissary, hospital) establishes the position.

7.6.3. Appointments. The activity commander or designee appoints a change fund custodian following paragraph 3.3 in coordination with the parent DO.

## 7.7 Imprest Fund Cashiers

The activity commander appoints an imprest fund cashier following paragraph 3.3 to make authorized cash payments for materials and non-personal services, maintain custody of funds, and file periodic vouchers to account for and replenish the imprest fund. An imprest fund cashier may be an officer, enlisted person, or civilian employee who is not responsible for originating, approving, or processing imprest fund requirements. An imprest fund cashier (or alternate) may not have access to or control of more than one fund. The commander keeps the appointing document and approval for establishment of the imprest fund in a permanent file, and furnishes two copies of these documents to the cashier and one copy each to the DO and installation or activity contracting office (see section 9.0).

## 7.8 Alternate Agents

7.8.1. Agents. When required, one or more alternate agents may be designated to serve only during the absence of an appointed primary agent. Alternate agents for DDOs are not permitted. The official authorized to appoint the primary agent also appoints alternates following paragraph 3.3. When serving in place of the primary agent, the alternate agent is subject to all regulations applicable to the primary. Alternate agents may not merge funds received with those of the primary agent, and must also maintain separate records from those of the primary agent to establish the amount for which each is responsible. Alternate agents may not conduct operations involving the handling of public funds concurrently with the primary.

7.8.2. Alternate Imprest Fund Cashier. Under paragraph 3.3, a commander may appoint an alternate imprest fund cashier to provide service during a principal's absence. Appointment requirements for principal cashiers apply to alternate cashiers. Upon return of the principal, the alternate returns paid receipts, subvouchers, and residual cash to the DO.

7.8.2.1. Planned Absences. In planned absences of the principal cashier and with the appointing official's written authorization, the principal may advance cash to the alternate in any amount up to the limit of the fund, using a DD 1081 for the advance.

7.8.2.2. Unforeseen Absence. In the unforeseen absence of the principal cashier, the DO may advance funds to the alternate in the normal manner; these funds are in addition to the amount advanced to the principal under the established fund, but may not exceed the authorized amount of the fund.

## 7.9 Death, Incapacity, or Unauthorized Absence of Agents

In the event of the death, incapacity, or unauthorized absence of an agent, the appropriate commander follows paragraph 6.2 for deputies at branch offices, but appoints relieving agents following procedures applicable to the position involved. In the case of an imprest fund cashier, the relieving imprest fund cashier prepares the final voucher.

## 8.0 DEACTIVATING OR CLOSING A DSSN

### 8.1 Deactivation

8.1.1. DSSN Temporary Closure. To eliminate the necessity of submitting monthly financial and checking account reports during the period of inactivity, the DO deposits all currency, coin, and negotiable instruments; closes the LDA, and if applicable; properly disposes of all undeliverable checks; submits the memorandum required for closure of disbursing offices with additional information that the account is closed temporarily; and retains blank Treasury check stock for use when the disbursing operation is reactivated (see Chapter 7, section 3.7 for inventory and storage requirements). A DO preparing an office for closure ensures that the DO's accountability balance on the DD 2657 and the DO Cash TAS in CARS are reconciled (Agency Location Code settlement). The DO may reopen that same DSSN at any time by submitting the report of commencement of disbursing operations. Note: A DO may not close a DSSN temporarily if any cash or documents representing cash are on hand. Any assets on hand, including deficiencies such as dishonored checks or losses of funds, require monthly submission of an SF 1219.

8.1.2. Designation of a Settlement Office. The supporting DFAS site designates another disbursing office as the settlement office to handle uncleared transactions for the closed office.

8.1.3. Notification of Deactivation Pending Closure. The DO will:

8.1.3.1. Notify all affected activities, agencies, commercial concerns (including LDAs when applicable), and individuals of the disbursing office deactivation date and the name and location of the settlement office to which all accounts will be transferred;

8.1.3.2. Notify Fiscal Service by memorandum through DFAS-IN/JJFKDC that the disbursing office is being deactivated pending closure. Include the DSSN, date of deactivation, the office to which the accounts and records have been/will be forwarded for settlement, and the last check number of each check range issued by the DSSN. Also, include the date and check number of the last check signed in each check range by each DDO where separate check series are assigned to DDOs at branch offices. Send a copy of the memorandum to the supporting DFAS site. Once a disbursing office is reported to Fiscal Service as being in a settlement status, it may not be reopened or transferred to another location without Fiscal Service approval. Once the settlement office has met all requirements in section 8.0, pertaining to closing the disbursing office, Treasury will close the DSSN permanently;

8.1.3.3. Notify commanders and request termination of appointment for all agents they appointed;

8.1.3.4. Issue terminations of appointments to all DDOs, agents, and cashiers (see paragraph 3.6);

8.1.3.5. Notify commanders and request termination of the DO's and agents' authorities to hold cash at personal risk; and

8.1.3.6. Clear all outstanding agent advances (e.g., imprest fund cashier and change fund custodians).

## 8.2 Deposits

Deposit all currency, coin, negotiable instruments, and LDA balances to the credit of the Treasury (see Chapter 11, section 8.0).

## 8.3 Deposits Fund Account Balances

Transfer deposit fund account balances that could not be cleared to the designated settlement office. Send a detailed list of the persons owed or funds to be reimbursed with any documents or backup information with the SF 1081, Voucher and Schedule of Withdrawals and Credits, to the settlement office. The SF 1081 is the basis for adjusting the general ledger for the amounts transferred.

#### 8.4 Undeliverable Checks

Cancel all undeliverable checks and return checks forwarded by other DOs as undeliverable to the forwarding DOs for cancellation (see Chapter 7, [paragraph 10.3](#)).

#### 8.5 Blank Treasury Check Stock

Destroy remaining blank check stock and report them on the SF 1179 as “voids” (zero dollar value issues) (see Chapter 7, [paragraph 9.3](#)).

#### 8.6 Stored Value Cards

Stored Value Card stock must be treated like blank check stock (see [paragraph 8.5](#)).

#### 8.7 SF 1219

Prepare and submit an SF 1219 (marked “FINAL”) covering the period from the first day of the accounting period through the close of the last business day (see Chapter 15, section [6.0](#)).

#### 8.8 SF 1179

Prepare and submit an SF 1179 (marked “FINAL”) covering the period from the first day of the accounting period through the close of the last business day. Include all checks issued during the period as well as the blank check stock destroyed and reported as “voids”.

#### 8.9 Equipment

Notify the supporting DFAS site of the availability of useable office equipment. The supporting DFAS site advises other DOs of the equipment available and facilitates transfers between disbursing offices, if requested. If no other disbursing office needs the equipment, the DO turns over the equipment to the supporting property disposal office. See Chapter 7, subparagraph [5.2.6](#) for disposition of signature media.

#### 8.10 Discrepancies

A DO preparing an office for closure ensures that no discrepancies exist in his or her accountability. The supporting DFAS site reviews all accounts transferred to settlement offices and may order collection action against a relieved DO who submits a disbursing account to a settlement office with unresolved deficiencies in the accountability (e.g., dishonored personal checks, unconfirmed deposits, check issue records and reports, physical losses of funds, and unresolved open debit items in \*\*F3875, \*\*F3880, and \*\*F3885 clearing accounts).

## 8.11 Closure

Only the Treasury may close a DSSN. Follow the policies within section 8.0 to pursue closing a disbursing office permanently. Once a disbursing office has been closed, it may be used only for settlement purposes. If the disbursing office is to be reopened, the DO must request and receive approval for reactivation from the Fiscal Service through DFAS-IN/JJFKDC. The Fiscal Service also must approve a new check range.

## 9.0 IMPREST FUNDS

### 9.1 Overview

Imprest funds are generally not authorized for DoD activities. Exceptions are allowed for contingency and classified operations. Submit specific requests for exception in accordance with Chapter 1, paragraph 1.3. Include adequate justification and demonstrate that the use of a government purchase card, third party draft, purchase card convenience check, government travel card, or other reasonable alternatives are not feasible for the specific situation. Agencies granted the authority to disburse imprest funds must classify imprest fund transactions using established and appropriate TAS/Business Event Type Code ([TAS/BETC](#)). DOs advancing or receiving funds from an imprest fund cashier will treat the transactions similar to advancing other accountable agents. The [Shared Accounting Module](#) website provides [Enterprise Reference Data](#) for the TAS/BETCs. In lieu of imprest funds, use the government purchase card for micro-purchases of supplies and/or services and the government travel card for travel payments formerly made from the imprest funds. If an imprest fund is authorized, the DO and the imprest fund cashier keep a copy of the signed authorization to establish and maintain the fund. Detailed regulations concerning establishing, using, and accounting for imprest funds, including the responsibilities of designated imprest fund cashiers and alternates are in:

9.1.1. [I TFM 4A-30165](#);

9.1.2. GAO Policy and Procedures Manual for Guidance of Federal Agencies, [Title 7, Fiscal Guidance, Chapter 6](#); and

9.1.3. The Federal Acquisition Regulation Part 13, [subpart 13.305](#).

### 9.2 Safeguarding Imprest Funds

Safeguard cash and disbursement documents at all times (e.g., safes, locked cash drawers) as prescribed in Chapter 3, section 3.0. The imprest fund cashier should maintain an organizationally and physically convenient location on the installation or activity to make payments to vendors or carriers. Do not commingle imprest funds with other cash funds (e.g., disbursing funds, change funds, or cash receipts for other funds). The imprest fund cashiers must be able to account for the full amount of funds being held at any given time. The responsible imprest fund cashier is accountable to the advancing DO for receipts or subvouchers supporting temporarily unreimbursed expenditures from any imprest fund, together with the cash on hand, in support of the total amount of the fund, and is subject to review by the DO at any time.

## 10.0 SETTLEMENT OF DO ACCOUNTS

### 10.1 Overview

The responsibility to clear outstanding items in the accounts of a DO relieved from disbursing duty is normally assigned to a designated settlement office (see subparagraph 8.1.2). The DO of the designated settlement office (referred to as the settlement officer), follows this guidance to resolve discrepancies in a relieved DO's accountability. All correspondence and vouchers initiated by the settlement officer should show the name and DSSN of the accountable officer, date and number of the voucher or account, and be signed "By (name of settlement officer), Settlement Officer for (name and DSSN of accountable officer)."

Normally, the settlement officer is also responsible for other residual disbursing functions, (e.g., issuance of stop payment requests, required records research pursuant to claims against the government, and clearing of all suspense accounts).

10.1.1. Deficiencies. In all instances, the relieved DO is responsible for resolving deficiencies before relief, if possible. If a deficiency exists in the account of a relieved DO and it appears that no action was taken to remove it from the accountability and no relief request is pending, the settlement officer should initiate collection action against the accountable DO.

10.1.2. Non-tactical Disbursing Stations. At non-tactical disbursing stations, settlement duties are normally the responsibility of the relieving DO. When one of these stations is closed, the supporting DFAS site designates another non-tactical disbursing station within the site's area to assume the closed station's disbursing operations and perform the settlement function.

10.1.3. Tactical Disbursing Stations. For naval vessels and tactical units, the servicing DFAS site performs the duties of settlement officer for relieved DOs whether or not the disbursing function of the naval vessel or unit is closed.

### 10.2 Responsibility of Relieved Officers

Despite the appointment of a settlement officer, the relieved DO is responsible for accounting for all funds expended while performing disbursing duties. Transfer of disbursing records under the authority of section 10.0 only relieves the DO of the paperwork incident to settlement of the account. Accountability for illegal, incorrect, or improper payments that cannot be adjusted despite the diligence of the settlement officer remains with the DO. The relieved DO should keep the settlement officer informed of his or her current mailing address at all times. The relieved officer should also answer inquiries related to settlement of outstanding items and furnish any advice or suggestions, which may be of assistance in the prompt and complete clearance thereof.

### 10.3 Settlement Officer Functions

The settlement officer is the incumbent DO. Subparagraphs 10.3.1 – 10.3.5 apply only to non-tactical DOs (within and outside the continental United States) performing settlement functions for previous DOs of the same disbursing activity and DSSN to which the DO performing the settlement functions is assigned. In addition to accounting for and taking settlement action on deficiencies which occurred during the incumbency of a former DO that were unresolved on the date of relief, the settlement officer may be required to establish or increase deficiencies in the account of a former DO. Most of the transactions processed to establish, increase, reduce, or remove deficiencies in the account of the former DO will be similar to the routine transactions of a DO.

10.3.1. Transactions. The transactions described in the following subparagraphs are the most common types of transactions that will be encountered. On some occasions, the servicing DFAS site may direct accomplishment of specific transactions and will provide detailed instructions for those transactions.

10.3.1.1. Settlement History. In order to have a complete history of the settlement process, the settlement officer will maintain a record of actions taken to clear deficiencies in separate settlement folders for each former DO. The settlement folders should be available for the next relieving DO.

10.3.1.2. Check Overdraft Receivables. Recording, reporting and clearing a check overdraft deficiency are prescribed in Chapter 7, [section 8.0](#) and [ITFM 4-6045.70](#).

10.3.1.3. Losses of Funds. Losses of funds in the account of a former DO that were unresolved on the date of relief are recorded and reported until resolved.

10.3.1.4. Other Accountability. Other accountability items are unresolved deficiencies in the account of a former DO which cannot be classified as check issue overdrafts or losses of funds. These items are reported until resolved. Overpayments caused by the negotiation of both the original and recertified check are prescribed in Chapter 7, paragraph 11.13.

10.3.1.5. Removal of a Deficiency. The settlement officer can request removal of the deficiency on behalf of the former DO. The servicing DFAS site can provide specific instructions for removal of an accountability by correction of an erroneous collection voucher. Instructions pertaining to a relief of liability item are provided in Chapter 6, [section 6.0](#).

10.3.1.6. Negotiable Instruments. Deposit negotiable instruments received to offset a deficiency in a former DO's account under the [same guidelines](#) as for other negotiable instruments. [Document the deposit on an Optional Form \(OF\) 1017-G](#), Journal Voucher.



10.3.2. Settlement Officer is Not Incumbent DO. This subparagraph applies only to DOs designated to settle the accounts of DOs of tactical units or naval vessels relieved from disbursing duty and the accounts of former DOs of closed disbursing stations. Settlement officers perform settlement functions for a DSSN other than the one to which assigned as a DO. Transactions to the account of the former DO will be similar to routine transactions of a DO.

10.3.2.1. Relieved DO. Any transaction affecting the accountability of a relieved DO, including the initial establishment of the settlement account, requires submission of monthly financial reports by the settlement officer for the relieved DO. The financial reports are submitted to the servicing DFAS site in the same manner as other financial reports.

10.3.2.2. Settlement Folders. In order to have a complete history of the settlement process, the settlement officer will maintain a record of actions taken to clear deficiencies in separate settlement folders for each former DO. The settlement folders should be available to the next relieving DO as a part of the relief process.

10.3.2.3. Initial Establishment of the Settlement Account. Upon receipt of the final SF 1219 of the relieved DO, the settlement officer reviews it to determine if any deficiencies existed on the date of relief. In the case of a closed disbursing station where the DO is transferred without a relief, the settlement officer establishes the settlement account by preparation of the necessary files to resolve the deficiencies. In the case of naval vessels and tactical units, if there is a deficiency in the account of the relieved DO, the settlement officer establishes the settlement account as of the month following the receipt of the relieved DOs final SF 1219 by preparing a supplemental SF 1219. The designated settlement officer must:

10.3.2.3.1. Compute the actual accountability of the relieving DO on the date of relief by subtracting the amount established in the settlement account from the amount reported on the relieved DOs final SF 1219; and

10.3.2.3.2. Notify the relieving DO of the naval vessel or tactical unit that the settlement account is established and direct the DO to record the dollar value of the deficiency on the next SF 1219. The relieving DO attaches a copy of the message to the SF 1219 to support the transfer of accountability.

10.3.2.4. Recording Increases to a Settlement Account. After the date of relief, it may become necessary to record a deficiency into the account of a relieved DO.

10.3.3. Removal of Deficiencies. Removal of deficiencies from the accounts of former DOs can be accomplished by collection from the responsible individual, correction of erroneous documents, or relief of liability.

10.3.3.1. If the deficiency is recovered by collection from the responsible individual, the settlement officer document the collection on an OF 1017-G.



10.3.3.2. If the deficiency is removed by correction of erroneous documents, the corrected documents are reported on the supplemental SF 1219 prepared for the month in which the transaction is processed.

10.3.3.3. If a deficiency is removed by relief of liability, the [Loss of Funds Adjudication Team](#), DFAS/ZPTC-IN team [will provide a memorandum with](#) a complete fund site to be charged for the transaction.

10.3.4. Preparation of Disbursement and Collection Vouchers. Normally, the preparation and processing of vouchers to settle the accounts of former DOs will not affect the disbursing account of the settlement officer. The settlement officer maintains a separate series of locally assigned voucher numbers (for example, COOO1 for collections and DOOO1 for disbursements) for use in settlement transactions. Collection and disbursement voucher numbers (assigned to vouchers prepared to process settlement transactions) should not be taken from the voucher number logs of the DO at the settlement activity. In addition, the settlement officer does not maintain the DD 2657 for the former DO.

10.3.5. Financial Reports. The settlement officer submits financial reports for a former DO every month until the former DOs accountability is cleared. Normally, the documents required to be submitted are: a supplemental SF 1219; appropriate copies of deposit ticket or debit voucher; and any supporting disbursement or collection vouchers prepared. The general requirements in Chapter 15, section 7.0 pertain to preparation and submission of financial reports. In addition to the normal distribution requirements, one additional copy of each document is forwarded to the servicing DFAS site. In all cases, each document should clearly identify the name and DSSN of the former DO and the name and address of the settlement officer preparing the reports. Documents requiring a signature are signed “By (name of settlement officer), settlement officer for (name and DSSN of accountable officer).”

#### 10.4 Settlement Procedures for Naval Vessels

10.4.1. Naval Vessels. Even though the DO assigned to naval vessels does not perform settlement functions, certain actions are required to be performed to assist the designated settlement officer. The incumbent DO follows the actions prescribed in section 10.0 for each of the transactions described which are received after the date of relief and which affect the accountability of the relieved DO.

10.4.2. Debit Voucher. Debit vouchers issued by a general depositary or the Treasury for dishonored personal checks, forged Treasury checks, or dual negotiation of both the original and recertified Treasury checks, are not recorded in the current DO's accountability unless the accounts of the DO who is accountable for the deficiency are subject to the 90-day retention period described in Chapter 15, paragraph 8.4 or the person who draws the check or endorser of the dishonored check is locally available for collection action. If neither of the foregoing conditions applies, the current DO forwards the debit voucher and copies of all related documents by email to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account. If follow-up action previously initiated by the relieved officer results in recovery of funds, the relieving officer forwards the funds in the form of an exchange-for-cash Treasury check to the servicing DFAS site.

10.4.3. Unconfirmed Deposits. For unconfirmed deposits that are later confirmed by follow-up action after the date of relief, forward the confirmed copy of the deposit ticket by email to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account for processing.

10.4.4. FMS 5206. If an FMS 5206 is received during the 90-day retention period subsequent to relief, reproduce a copy of the applicable check issue record and disbursement voucher from the relieved DO's retained records and attach to the form. Send the documents by email to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account for processing. If one is received after the former DO's records have been sent to the DFAS site as prescribed in Chapter 15, paragraph 8.4, send the document with a cover letter to the servicing DFAS site for processing.

10.4.5. Daily Advice of Status (DAS). Upon receipt of a DAS from the Treasury indicating the original and recertified check issued by the previous DO were both negotiated and previous credit given by the Treasury or the canceled original check is being reversed, the current DO should take the same actions as prescribed in subparagraph 10.4.2 for debit vouchers.