

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

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* 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 December 2009 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
Multiple	Revised the entire chapter to include administrative updates and hyperlinks.	Update
020201B; 020202B; 020203B & C; 020205A1, B3, and C3; and 020303D	Provided guidance on use of DD Form 577 to appoint DOs deputies and agents, as well as, termination of those appointments, thus eliminating the need for separate letters of appointment and termination.	Update
Former 0202	Renumbered “Closing a Disbursing Office” as section 0203.	Update
Former 0203	Renumbered “Disbursing Officers, Deputies, and other Accountable Positions” as section 0202.	Update
Former 0204	Incorporated the “Commencement of and Relief from Disbursing Duty” into paragraph 020202D & E.	Update
Former 0205	Incorporated the “Change in the Status of Disbursing Officers or Deputies” into paragraph 020204.	Update
Former 020402A9	Deleted paragraph that addressed ATMs. Chapter 26, Vol. 5 (ATMs) was deleted due to the cessation of the ATMs-at-Sea in favor of the Navy Cash program.	Delete
Former 0206	Incorporated “Agents of Disbursing Officers” into paragraph 020205.	Update
Former 0207	Renumbered “Imprest Funds” as section 0204.	Update
Former 020707D	Deleted the “Note” at the bottom of this paragraph regarding altering certified vouchers.	Delete

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## CHAPTER 2

DISBURSING OFFICES, OFFICERS, AND AGENTS

## 0201 ESTABLISHING A DISBURSING OFFICE

## 020101. Request for Establishment

A requesting activity sends a request to establish a disbursing office at a new activity, or at an activity receiving disbursing services from an external source, by memorandum through its chain of command to the Defense Finance and Accounting Service (DFAS), [Strategy, Policy & Requirements](#), ATTN: DFAS-ZPFA/IN, 8899 East 56th Street, Indianapolis, IN 46249-0500. Include [in the request](#):

- A. Reason(s) why establishing the office is necessary;
- B. Anticipated office workload in terms of the number of military personnel to be supported, civilian personnel to be paid, and commercial vouchers to be settled;
- C. Proposed date of establishment;
- D. 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 general depository, if any, and its distance from the proposed office;
- E. [An estimation](#) of United States (U.S.) Treasury checks for the first year of operation and whether checks will be procured through the normal requisition process or if an emergency supply will be needed (see Chapter 7);
- F. Name, social security number (SSN) and rank or grade of the proposed disbursing officer (DO), if known;
- G. Estimate of monthly cash requirements (see Chapter 3); [and](#)
- H. Information on plans to implement an automated disbursing system.

[020102.](#) Department of Defense (DoD) Component Commander Recommendation

When a military commander decides that establishing a disbursing office is required for the efficient functioning of the activity, he or she endorses the request to indicate concurrence and provides any additional information required by the approving official. In all cases, provide a statement justifying why an additional disbursing office is required and why the disbursing operation cannot be conducted by an existing disbursing activity.

[020103.](#) Disbursing Station Symbol Number (DSSN)

A. General. DFAS-ZPFA/IN obtains a DSSN from the Treasury's Financial Management Service (FMS). DSSNs are permanent and, from the Department of the Treasury's Financial Management Service (Treasury FMS) perspective, are either open or closed. Those that are open are open for an indefinite period. Some open DSSNs may be inactive and may be either:

1. Contingency, available for use in a military contingency operation;
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). 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 limited depositary checking account, 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 U.S. Treasury check stock for use when the disbursing operation is reactivated. See Chapter 7 for inventory and storage requirements. 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 a Standard Form (SF) 1219 (Statement of Accountability); or
3. In settlement pending closure. See section 0203 and Chapter 22.

B. 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-ZPFA/IN, who will advise Treasury FMS.

C. Use of DSSN. The DSSN must appear on all payment and collection vouchers and U.S. Treasury and limited depositary checks processed by the disbursing activity.

#### 020104. Reporting Activation of a Disbursing Office

The DO activating a disbursing office notifies Treasury FMS, Check Reconciliation Branch, through DFAS- ZPFA/IN by memorandum immediately upon commencement of disbursing operations. Include in the memorandum the name of the disbursing activity, the DSSN assigned, the DO's name and rank or grade, and the opening date of the account. Send a copy of the memorandum to the supporting DFAS site.

#### 020105. Employer Identification Number (EIN)

DOs who are required to report tax information must obtain an EIN from the nearest Internal Revenue Service office.

#### 020106. Equipment, Publications, and Blank Forms

A. Check-signing Machines. A DO issuing more than 2,000 checks per

month may purchase and use a check-signing machine. DOs issuing fewer than 2,000 checks per month may request approval from the supporting DFAS site to purchase and use a check signing machine. See Chapter 7 for machine specifications, signature plate requirements and ordering procedures.

B. Publications. Disbursing activities obtain publications governing their operations and keep them current for reference purposes.

C. Supply of Blank Forms. The DO prepares an estimate of the types and quantities of blank forms needed to sustain the actual or anticipated volume of business and updates it periodically to avoid stockpiling seldom-used forms.

D. Miscellaneous Office Supplies. The DO requisitions miscellaneous office supplies, such as rubber stamps and stationery, using established supply procedures.

020107. Internal Controls

See Chapter 1.

\*0202 DISBURSING OFFICERS, DEPUTIES, AND OTHER ACCOUNTABLE POSITIONS

020201. Persons Authorized to Have Custody of Public Funds

Title 31, United States Code, Section 3321(c)(2) (31 U.S.C. 3321(c)(2)) requires the Secretary of Defense to designate disbursing officials to disburse public moneys available to DoD. A DO is thus an agent of the U.S. Treasury. To ensure proper security of and accounting for public funds, and fix responsibility for custody and authorized disposition, limit the number of persons authorized to receive, maintain custody of, and disburse or otherwise dispose of public funds.

A. Accountable Positions. Individuals designated to distribute salary checks or appointed as disbursing agents, cashiers, paying agents, collection agents, change fund custodians, and imprest fund cashiers also serve in accountable positions. Except as otherwise specifically provided, only DOs, their appointed deputies, and other agents may regularly receive and maintain custody of public funds. While these functions are not direct DO responsibilities, DOs are accountable for erroneous (i.e., illegal, improper, or incorrect) payments and for errors in their accounts even though they may have relied on deputies, agents, or cashiers who caused the errors.

B. Appointments. Use Department of Defense (DD) Form 577 (Appointment/Termination Record–Authorized Signature) to make appointments for accountable positions. Use a separate form to appoint each individual. Appointees acknowledge appointment acceptance in Section III of this form.

C. Exceptions

1. General. An individual who occasionally receives public funds need not be appointed formally to one of the positions listed in paragraph 020201A. 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. Persons other than those formally designated promptly send funds received to their [servicing disbursing office](#) or to another person formally designated to receive them. Those responsible for property and the funds derived from that property need not formally designate any of their subordinates to receive or maintain custody of public funds even though the entire staff of the activity performs functions closely associated with public funds. It is enough that formal designations be made for those individuals who regularly receive and maintain custody and control of public funds and who have the opportunity to act independently in respect to the custody, movement, and disposition of these funds.

2. DOs at DFAS sites may hold more than one DSSN and may also serve concurrently as deputy DOs (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 separate DD Forms 577 for each applicable DSSN.](#)

3. DOs aboard Navy vessels also 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.

4. When directed by appropriate authority in accordance with the law and regulation, DOs, DDOs, and agents may accept, safeguard, account for, and dispose of personal funds and valuables received for safekeeping. Also, where personnel resources are limited, persons serving as DOs or other accountable officials may also serve as safekeeping custodians at their commander's discretion. See Chapter 27.

D. Restrictions. Except as specifically authorized in this volume, do not assign DOs additional duties of order approving authority, certifying officer, custodian of any fund, or other conflict-of-interest assignment. Also, do not appoint individuals performing duties listed in paragraph 020201A concurrently to other accountable positions involving the handling, custody, or accountability for other funds.

E. Terminations of Appointments. [Terminate appointments using Section IV of the appointing DD Form 577.](#)

[020202.](#) Disbursing Officers (DO)

A. Eligibility. To be eligible for appointment as a DO, an individual must be a U.S. citizen or a member of the U.S. Armed Forces and either have previous experience as a DO or have completed (or agree to complete) specific DO training.

B. Appointment. [Use DD Form 577 to appoint a DO following paragraph 020201B. Include in Item 14 of the form the DSSN, email address, and specific duties and](#)

special instructions. The appointee acknowledges acceptance of the appointment in Section III of the form. Send a copy of the DD Form 577 and the required original specimen signature forms cited in paragraph 020202C1 to DFAS-ZPFA/IN to be maintained in the DO files.

C. Submission of Signature Card and Specimen Signatures

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 papers pertaining to the DoD, Government Accountability Office (GAO) and U.S. Treasury. Send these signatures, together with the appointing DD Form 577 to DFAS-ZPFA/IN on completed original FMS Forms 5583 (Signature Card) (see Figure 2-1) and 3023 (Specimen Signatures) (see Figure 2-2), having used permanent dark blue, blue-black, or black fade-resistant ink that is not readily soluble in water for manual signatures. The commander/director of the activity where the DO is located certifies the signature on the FMS Form 5583. For deputies, the DO certifies the FMS Form 5583. When the DO and deputy DO are not collocated, the commander of the installation certifies the deputy DO's signature.

2. Official Signatures to Other Depository. If checks will be drawn on a depository other than the U.S. 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.

3. Change of Official Signature. A DO or DDO may change his or her official signature by submitting new FMS Form(s) to DFAS-ZPFA/IN. A DO signs FMS Forms 5583 and 3023 and the DDO signs FMS Form 3023.

4. Furnishing Additional Signatures When Transferred to a New Station. The original FMS Form 5583 becomes a permanent part of DFAS-ZPFA/IN records. It is therefore normally not necessary to furnish a subsequent FMS Form 5583 when assuming disbursing duty at a different disbursing activity. Since an individual's signature may change over a period of years, DFAS-ZPFA/IN may request additional signatures if needed. When a DO frequently changes disbursing offices, the supply of specimen signatures furnished on FMS Form 3023 may become exhausted. DFAS-ZPFA/IN 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 deputy furnish an additional FMS Form 3023.

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

E. Relief from Disbursing Duty

1. Joint Action by the Outgoing and Incoming DOs. The outgoing and incoming DOs establish the date when transfer of accountability will occur, subject to command approval. It is preferable that the transfer occur on the last day of the month to preclude the need to submit two sets of financial reports in the same month. When the transfer occurs, the outgoing and incoming DOs:

- a. Verify cash on hand.
- b. Verify all other documents that support the SF 1219 as assets.
- c. Verify and inventory all blank U.S. Treasury checks and prepare a letter of transfer for them. Both the outgoing and incoming DOs sign the letter. The incoming DO reports all checks issued by the outgoing DO that were not reported to the U.S. Treasury before the transfer of accountability and for resubmitting any rejected entries. Include the numbers of the blank checks the incoming DO receives in the commencement of disbursing duties announcement 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 for 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.
- d. Verify any postal money orders on hand.
- e. Verify any safekeeping deposits. See Chapter 27.
- f. Prepare a memorandum of relief for submission to the commander if required by local regulations.
- g. Verify and transfer all backup documentation for balances in the \*\*F3880, \*\*F3875, and \*\*F3885 clearing accounts. The Treasury Financial Manual (TFM), Volume I, Part 4, Chapter 7000, requires 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 or backup information, and current status. Documented evidence includes certification that the DO or primary deputy personally reviewed the balances in the account within the last month. See Chapter 8.
- h. Validate unreconciled differences (e.g., check issue and deposit discrepancies, Intra-governmental Payment and Collection (IPAC) system differences). If the outgoing DO cannot provide documentation supporting the unreconciled items, he or she processes them as losses or overages of funds; see Chapter 6.

2. Action by Outgoing DO. Upon relief from disbursing duty:

- a. Terminates all deputy, agent and cashier appointments and

clears all related [DD Forms 1081](#) (Statement of Agent Officer's Account).

b. Transfers all cash, negotiable instruments, money accounts, books, property, vouchers and other retained records to the [incoming DO](#).

c. Prepares and submits a final [SF 1219](#) marked "FINAL." The [incoming DO](#) signs a certificate of acceptance of total accountability on the SF 1219 as prescribed in Chapter 19 (see Figure 2-3a and 2-3b).

d. Prepares and submits a final [SF 1179](#). The [incoming DO](#) signs and marks the SF 1179 as "FINAL."

e. Sends a copy of the [incoming DO](#)'s commencement of disbursing duty memorandum (including copies of all the letters of transfer of the total accountability) with the final SF 1219 to the activity where financial reports are submitted.

f. Prepares and sends a memorandum to the supporting DFAS site and DFAS-ZPFA/IN advising of the date and check number of the last check issued.

g. Unless retention of signature plates or digitized signature media is required under paragraph 020202E3a(2)(b), sends the plates or digitized media being withdrawn from service (i.e., not to be used again), to DFAS-ZPFA/IN either for destruction or retention for possible future use. When the plate or digitized medium has been destroyed, DFAS-ZPFA/IN notifies the [outgoing DO](#) of the date of destruction. If the digitized medium is a computer diskette (CD) containing the DOs signature and that signature has been loaded to the printer or check signer software, the DO sends the CD to the DFAS issuing entity along with a certificate of destruction certifying that the signature has been permanently removed from the software.

h. Transfers custody of the check-signing machine to the [incoming DO](#), if applicable.

i. Verifies balances in suspense accounts are properly documented.

3. Action by [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 summarize the actions to be taken by an [incoming DO](#) before reporting to the new disbursing [office or](#) activity as well as actions required as part of the relief process:

a. Upon receipt of orders to disbursing duty:

(1) Send original specimen signatures to DFAS-ZPFA/IN on FMS Forms 5583 and 3023. If signatures have been furnished previously as a DO or DDO, submission of new specimen signatures is not required unless specifically requested or a change of official signature is desired. If, however, the [outgoing DO](#) has a limited depository

checking account, send specimen signatures to the limited depository.

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

(a) If the incoming DO has never had a signature medium, provide three official signature specimens in addition to those required by paragraph 020202C, and request the required medium be ordered in enough time to arrive before the actual date of relief. If a signature medium compatible with the check signing machine is in safekeeping at DFAS-ZPFA/IN, request that office send the medium to the new disbursing office.

(b) If a signature medium cannot be received or obtained before the actual date of relief, the incoming DO may request DFAS-ZPFA/IN authorize the use of the outgoing DO's signature medium until a new one arrives to allow continued efficient operations of the disbursing office. The incoming DO is pecuniarily liable for improper payments made on or after the date of assuming responsibility.

b. Upon commencement of disbursing duty:

(1) Send a memorandum to DFAS-ZPFA/IN and the DFAS site that receives the DO's financial reports advising them of the commencement of disbursing duty.

(2) Appoint at least one DDO and send the required copies of the DD Form 577 and FMS 3023 to DFAS-ZPFA/IN. Appoint agents, cashiers and other internal designations as necessary.

(3) Verify the adequacy of the safekeeping facilities for funds, blank checks and other accountable documents. If the facilities are inadequate, report the deficiencies to the commander and request that proper facilities be provided.

(4) Change the combination of all safes, including those assigned to other accountable individuals.

(5) Review cash-on-hand requirements. If the current cash authority is valid, the incoming DO may retain it until the normal resubmission date. Otherwise, the incoming DO submits a new request as soon as possible after assuming the account.

(6) Order all required official publications not on hand.

(7) Notify all serviced activities, agencies, commercial concerns and individuals of the account holder change.

020203. Deputy Disbursing Officers

A. Eligibility. An officer, enlisted member, or civilian employee satisfactory to the DO and who is a U.S. citizen or member of the U.S. Armed Forces may be appointed as a deputy DO.

B. Appointment. DOs appoints their DDOs using DD Form 577 following paragraph 020201B. Include in item 14 of the form the DSSN and any specific duties and special instructions. Appointees acknowledge their acceptances in Section III of the form. Send a copy of the DD Form 577 and the required original specimen signature forms (FMS Forms 5583 (see Figure 2-1) and 3023 (see Figure 2-2)) to DFAS-ZPFA/IN to be maintained with the DO files.

C. Termination of Appointment. A DO may revoke a DDO's appointment at any time by completing Section IV of the appointing DD Form 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 revoking DD Forms 577 to DFAS-ZPFA/IN. If another individual will succeed a DDO, send a copy of the appointing DD Form 577 and the required original specimen signatures for the new DDO with the copy of the notice of revocation; see paragraph 020202E3b(2). If a DDO appointment is terminated for cause, include the reason for termination when sending the revoking DD Form 577 to DFAS-ZPFA/IN.

020204. Change in the Status of Disbursing Officers or Deputies

A. Authorized Absence of DOs or Deputies at Branch Offices. During an authorized absence, the DO remains accountable for the account unless or until it is officially transferred. It need not 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).

B. Death, Incapacity, or Removal of a DO from Duty for Cause

1. General. 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 in the name of and 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 deputy, the Military Service commander, DFAS Director, or designee, as appropriate, designates one deputy to disburse in the DO's name.

2. Responsibility of the Military Service Commander or DFAS Director. The Military Service commander, DFAS Director, or designee as appropriate:

- a. Seizes and seals all disbursing spaces, keys, property and

safe(s) to ensure the security of the funds, property and spaces involved.

b. Appoints a board of at least three disinterested but qualified persons to inventory the vouchers, funds and property on hand. See paragraph 020204B3.

c. Based on the disbursing needs of the activity:

(1) Appoints a custodian of the disbursing office's vouchers, funds and property. See paragraph 020204B4; or

(2) Appoints a suitable person (normally a DDO) to take charge of the DO's vouchers, funds, and property involved and perform as acting accountable 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 paragraph 020204B5.

d. Notifies the supporting DFAS site by message or email of all actions taken and provides an information copy to DFAS-ZPFA/IN.

3. Responsibility of the Inventory Board. The board appointed as prescribed in paragraph 020204B2b inventories all public funds, including advances to deputies, agents and cashiers; vouchers evidencing receipt, transfer, or disbursement of funds; safekeeping deposits; Navy/Marine Cash, if applicable; and property of the DO in the presence of the immediate custodians and the appointed custodian, acting accountable DO, or **incoming DO**. **The board** verifies all official records to determine that the cash on hand agrees with the records, **verifies** that all checks **issued** in the current accounting period have been properly accounted for, and inventories blank checks to determine if any are missing. 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. 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 accountable DO, or **incoming DO**, who receives the original inventory and retains a copy of the inventory report, gives the commander the original of the inventory report, with each member of the board keeping a certified copy.

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.

5. Responsibility of the Acting Accountable DO. The DDO appointed to serve as the acting accountable DO performs 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 deputy submits the reports in the name of the former DO (e.g., "John Hancock by G. C. Garland"). 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 an explanation that the reports include only transactions made by the DDO under authority of this paragraph subsequent to the death, incapacity, or unauthorized absence of the former DO. Do not merge the financial reports of transactions performed by an acting accountable 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. The DDO signs all checks drawn in the manner normally used when the deputy signs checks. If the volume of checks warrants, the acting accountable DO may use the former DO's signature plates. The DDO, not the former DO or the former DO's estate, is both liable legally and is responsible for all payments and official acts subsequent to the death, incapacity, or removal of the DO.

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 [paragraph 020202E3](#), and for rendering financial reports in his own name the same as any other DO.

7. Administration of the Accounts of a Deceased, Incapacitated or Removed-for-Cause DO. **The commander should strive to** protect the rights of a deceased, incapacitated, or removed DO, as well as the custodian, acting accountable 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 accountable 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 may allow an incapacitated or removed DO a reasonable time to close the disbursing accounts and render the final accountability reports. The commander of a 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 accountable DO, or relief. The DO restored to duty or the **incoming DO** is accountable only for the vouchers, funds and property on hand when the second inventory is taken. The custodian, acting accountable DO, or **incoming DO** is accountable for all vouchers, funds, property and transactions which took place from the date the original inventory was receipted.

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 commander of the activity where the branch office is located appoint a board to inventory of the vouchers, funds, and property of the DDO and appoint a suitable person to take custody of the vouchers, funds, and property until the DO can take an inventory. If practical, the DO takes an inventory of the vouchers, funds and property in the presence of a competent witness.

**020205. Other Agents of Disbursing Officers**

A. General. Officers, enlisted members, or civilian employees satisfactory to both the appointing officer and DO may be appointed as agents, (e.g., disbursing agents, cashiers, paying agents, 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 020201D.

1. Include in item 14 of the appointing DD Form 577 specific duties and limitations, and the name of the individual being relieved, if any. See paragraph 020201B.

2. DOs' agents are pecuniarily liable under accountable officer laws for losses from public funds in their possession. When appointing agents, appointing authorities should consider carefully appointing non-U.S. citizens to accountable positions. In some instances, foreign nationals and other non-U.S. citizens may not be held pecuniarily liable for losses of funds. See Chapter 1.

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

4. The DO keeps appointing documents in a permanent file at the activity for at least six months after an individual ceases to serve in a position. Appointments as agents of DOs are effective only while the DO continues to serve as DO of that disbursing activity.

5. 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 paragraph 020202E2a)), using Section IV of the original appointing DD Form 577.

B. Disbursing Agents (DA)

1. Duties and Responsibilities. A disbursing agent is a DO's agent who is not a DDO and therefore cannot sign U.S. Treasury checks.

2. Establishment of Position. The appropriate major command or Defense agency establishes DA positions in writing.

3. Appointments. The DO appoints DAs following paragraph

020201B, gives the original DD Form 577, which includes the appointee's acknowledgement, to the DA, sends a copy of the DD Form 577 to the office where the duties are performed, and retains a copy for file.

C. Cashiers

1. Selection Procedure. An officer, enlisted member, or a civilian employee with working knowledge of the cash functions and operations may be appointed as a cashier. The DO or disbursing agent should investigate the candidate thoroughly to ensure that he or she is of unquestionable integrity by examining personnel records and interviewing the individual and other persons as necessary. The DO or disbursing agent 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.

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. To facilitate training and effective personnel use, cashiers may perform other duties when not performing as cashiers. A cashier may prepare DO accountability reports, but the DO, DDO, or DA must personally review them.

3. Appointments. The DO appoints cashiers following paragraph 020201B, gives the original DD Form 577, which includes the appointee's acknowledgement, to the cashier, sends a copy of the DD Form 577 to the office where the duties are performed, and retains a copy for file.

4. Restrictions. A cashier may not:

- a. Sign checks.
- b. Accept checks drawn (and endorsed to the cashier) in the name of the DO or disbursing agent to procure and disburse cash for any purpose.
- c. Prepare billing documents and accept collections for the same items. This restriction also applies to agents performing cashier duties.
- d. Prepare vouchers that they will later pay.
- e. Prepare vouchers on days when they perform cashier functions.

D. Paying Agents

1. Appointments. Commanders appoint paying agents only when adequate payment, check cashing, or currency conversion service are not otherwise available. See paragraph 020201B. Appointments are for either a specific transaction, or a definite or

indefinite time period. Do not appoint paying agents 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 paying agent to make the necessary payments for and in the name of the DO from cash advanced for that purpose.

2. Restrictions. Paying agents may not act as certifying officers (see Chapter 33) or purchasing officers; escort officers serving as paying agents for expenses related to official travel may likewise not be purchasing officers.

E. Collection Agents

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; communications 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.

2. Appointments. Appointing authorities appoint collection agents following paragraph 020201B. Unless revoked by the appointing authority, collection agent appointments remain in effect through succeeding appointing authorities.

F. Change Fund Custodians

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.

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

3. Appointments. The activity commander or designee appoints a change fund custodian following paragraph 020201B, and in coordination with the parent DO.

G. Imprest Fund Cashiers. The activity commander appoints an imprest fund cashier following paragraph 020201B 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 and 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 0204.

H. Alternate Agents

1. General. 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 [020201B](#). 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 maintain records separate 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.

2. Alternate Imprest Fund Cashier. [Under paragraph 020201B](#), 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. 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 Form 1081](#) for the advance. When the principal cashier resumes duty, the alternate returns the DD Form 1081 along with all paid receipts, subvouchers and residual cash. 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. Upon return of the principal, the alternate returns paid receipts, subvouchers and residual cash to the DO.

I. Death, Incapacity, or Unauthorized Absence of Agents. In the event of the death, incapacity, unauthorized absence, arrest, or other emergency absence of an agent, the appropriate commander follows [paragraph 020204B8](#) 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.

**\*0203 CLOSING A DISBURSING STATION SYMBOL NUMBER**

## 020301. General

[Only the U.S. Treasury may close a DSSN](#). [See paragraph 020103B](#). Follow the policies and procedures in this section 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 Treasury FMS through DFAS-ZPFA/IN. Treasury FMS also must approve a new check range.

## 020302. 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. See Chapter 22.

## 020303. Notification of Deactivation Pending Closure

The DO will:

A. Notify all affected activities, agencies, commercial concerns (including depositaries 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;

B. Notify Treasury FMS by memorandum through DFAS-ZPFA/IN that the **disbursing office** is being **deactivated pending closure**. State in the memorandum 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 Treasury FMS as being in a settlement status, it may not be reopened or transferred to another location without Treasury FMS approval. Once the settlement office has met all requirements in Chapter 22 pertaining to closing the **disbursing office**, Treasury FMS will close the DSSN permanently;

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

D. Issue terminations of **appointments to** all **DDOs**, agents, and cashiers. See **paragraph 020201E**;

E. **Notify** commanders and request termination of DO's and agents' authority to hold cash at personal risk; **and**

F. Clears all outstanding agent advances, (e.g., imprest fund cashier and change fund custodian).

020304. Deposits

Deposit all currency, coin, negotiable instruments and limited depositary account balances to the credit of the **U.S.** Treasury on an SF 215 (Deposit Ticket). See Chapter 5.

020305. Deposit Fund Account Balances

Transfer deposit fund account balances that could not be cleared before **deactivation** 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.

020306. Undeliverable Checks

Cancel all undeliverable checks and return checks forwarded by other DOs as undeliverable to the forwarding DOs for cancellation. See Chapter 8.

## 020307. Blank U.S. Treasury Check Stock

Destroy remaining blank check stock (see Chapter 8) and report them on the [SF 1179](#) (Month End Check Issue Summary) and Checks-Issued Report (Report 72) as “VOIDS” (zero-dollar-value issues). See Chapter 9.

020308. [Standard Form \(SF\) 1219](#) (Statement of Accountability)

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 19.

020309. [Standard Form \(SF\) 1179](#) (Month End Check Issue Summary)

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” (zero-dollar-value issues). See Chapter 8.

## 020310. 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 for disposition of signature plates.

## 020311. Retained Records

Send the retained records to the designated settlement office; See Chapter 21.

## 020312. Discrepancies

A DO preparing an office for closure ensures that no discrepancies exist in his/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 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.).

[0204](#) IMPREST FUNDS

## 020401. General

This section prescribes DoD policies and procedures for using imprest funds to make small purchases of supplies or services. The imprest fund cashier should maintain an organizationally and physically convenient location on the installation or activity to make

payments to vendors or carriers. Detailed regulations concerning establishing, using and accounting for imprest funds, including the responsibilities of designated imprest fund cashiers and alternates are in:

- A. TFM, [Volume I, Part 4, Chapter 3000](#);
- B. GAO Policy and Procedures Manual for Guidance of Federal Agencies, [Title 7 \(Fiscal Guidance\), Chapter 6](#); and
- C. The Federal Acquisition Regulation (FAR), [paragraph 13.305](#).

020402. Authority

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. 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. 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.

020403. Amount of Imprest Funds

The maximum amount of an imprest fund approved by the Office of the Under Secretary of Defense (Comptroller) (OUSDC), as prescribed in the previous paragraph, may not exceed the estimated average monthly disbursements from the fund, and may not exceed \$10,000 in any case. Print "Not valid for an amount exceeding \$10,000" on the face of any negotiable instrument drawn for an advance to an imprest fund cashier. [A single imprest fund transaction may not exceed \\$500. Do not split a single requirement totaling more than \\$500 into multiple transactions to avoid the use of the conventional purchasing techniques and procedures. Submit exceptions or waiver requests to these limitations as prescribed in Chapter 1. Keep copies of approvals of such requests for audit review.](#)

020404. Review of Imprest Funds

Review the imprest funds on the same basis as the quarterly cash verification prescribed in Chapter 3 to determine its continuing need, and to validate the amount of the fund based on average monthly disbursements. During periods of contingency operations as specified by the Joint Chiefs of Staff (JCS), the designated area commander may increase the ceiling on cash holdings to \$100,000 per imprest fund. Consider appointing paying agents as an alternative to imprest funds, unless these appointments would hinder the operation (e.g., a lack of contracting or procurement personnel).

020405. Advancing [and Replacing Imprest Funds](#)

The DO serving the activity to which the imprest fund cashier is attached advances funds to [the imprest fund cashier](#) to establish [the imprest fund](#). The appointing authority furnishes the DO with a signed copy of the imprest fund cashier's appointing [DD Form 577](#) (see [paragraph 020201B](#)) and a copy of the approval to establish the fund. Document the advance following Chapter 3. [The DO replenishes an imprest fund for the exact amount of properly made and documented disbursements.](#) If the average monthly dollar value of the imprest fund purchases decreases and the authorized amount of the fund is greater than required, the DO replenishes the fund only in the amount justified by the volume of purchases made. This is not a limitation on funds available to the imprest fund cashier when seasonal or other factors justify an amount greater than that indicated by this method of computation.

020406. Safeguarding Imprest Funds

Safeguard cash and disbursement documents at all times (e.g., safes, locked cash drawers) as prescribed in Chapter 3. 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.

020407. Uses of Imprest Funds

A. [Uses.](#) [Imprest funds may be used for small purchases:](#)

1. [When](#) the use of the imprest fund is considered as advantageous to the government;
2. [When](#) supplies or services are available for delivery within 60 days either at the contractor's place of business or at destination;
3. [When](#) the purchase of supplies or services does not require detailed technical specifications or inspection; [or](#)
4. During JCS specified contingency operations, the designated area commander may increase the limitations on imprest fund transactions to \$3,000.
5. [In addition, imprest funds may also be used for:](#)
  - a. Delivery charges associated with the purchase from the imprest fund when the contractor is requested to arrange delivery. These charges include local delivery, parcel post (including cash on delivery (C.O.D.) postal charges) and line-haul or intercity transportation charges, provided the charges are determined to be reasonable and acceptance is in the best interest of the Government;
  - b. Payments to civilian volunteers participating in approved

medical research projects; or

c. Other expenditures not related to small purchases when they are authorized by other regulations:

(1) Travel advances when no DO is available in the immediate area to make payment and using the government travel card is impractical;

(2) Local travel expenses (i.e., mileage allowance for travel in and around the permanent duty station not under travel orders) when no DO is available in the immediate area to make payment;

(3) Transportation charges not related to purchases;

(4) Money orders required to:

(a) Transmit collections for deposit;

(b) Deposit part of the fund when the fund will be reduced or liquidated;

(c) Make approved cost-effective mail order purchases for single acquisitions of reference manuals, publications or pamphlets, catalog type items, and one-time purchase of books or periodicals. Do not use this procedure to circumvent controls on the procurement of periodic subscriptions; and

(d) Pay interlibrary loan fees for professional books.

NOTE: Attach a legible copy of the money order (showing purchasing activity, amount, and payee) to the requisition file and an annotation of the date mailed. The imprest fund cashier keeps the original money order receipt to support disbursement of the money order fee.

(5) Postage stamps; and

(6) Transportation passes or tokens.

B. Prohibited Uses. Imprest funds may not be used to:

1. Pay salaries and wages;

2. Pay travel or any other advances, unless otherwise authorized;

3. Pay travel claims except as permitted in paragraph 020407A5c;

4. Pay public utility bills;

5. Cash checks or other negotiable instruments;
6. Purchase from contractors or contractors' agents who are military personnel or civilian employees of the government;
7. Purchase foreign items unless the applicable decisions of exception and documentation are made before procurement;
8. Make repetitive purchases from the same contractor when another method of purchase (e.g., a blanket purchase agreement) would be more appropriate; and
9. Pay spot awards.

020408. Procedures

A. Purchases. An authorized purchase requisition is the basis for an imprest fund purchase. Place orders to suppliers orally without soliciting competition if prices are reasonable. Distribute purchases equitably among qualified suppliers. Solicit prompt payment discounts and make payments for goods and services that have been procured by authorized personnel in accordance with the FAR. Separate responsibilities for determining requirements, making purchases, and receiving materials and services among several individuals. Imprest fund purchases need not be supported by purchase orders unless doing so would provide an advantage to the government, (e.g., vendor discounts). In these cases the cashier may use a regular purchase order form annotated "payment to be made in cash." Obtain receipts for each payment from an imprest fund. Since purchases with imprest funds are of relatively small value, government tax exemption certificates are not required.

B. Receipt of Material. A designated receiving activity accepts delivery of all material purchased using imprest funds. The receiver examines the material to ascertain that the quantities and items described on the purchase request and the supplier's sales documents are present and in satisfactory condition. If the material is acceptable, the receiver stamps "Received and Accepted" on the supplier's sales document, dates and signs the document, and passes it to the imprest fund cashier for payment. A supplier's sales document (e.g., DD Form 1155 (Order for Supplies or Services/Request for Quotations), DD Form 1348-1A (Issue Release/Receipt Document) or DD Form 1348-2 (Issue Release/Receipt Document with Address Label)) may be used to record the receipt of purchases made from an imprest fund. When delivery of material at destination on a C.O.D. basis is impractical, advance arrangements for the pick-up of material are permissible. The imprest fund cashier may then advance cash to an authorized individual to pick up and pay for the material. The individual certifies receipt and acceptance of the material on one of the documents indicated in this paragraph. Use the receipt for cash payment as the imprest fund receipt. When prior arrangement for pick up of material is impractical, the imprest fund cashier may advance cash to an authorized individual to make the purchase.

C. Advance of Funds. An individual receiving a cash advance from an imprest fund cashier must sign a receipt for the cash. After making the purchase, the individual returns unused cash to the imprest fund cashier with the proper receipt, acceptance, and cash

payment certifications. The imprest fund cashier “voids” the receipt for cash. Account for cash advanced under these provisions daily. In unusual circumstances, cash may be advanced for a longer period (not more than 7 calendar days). An individual receiving public funds under this paragraph is subject to pecuniary liability regulations.

D. Certification of Cash Payment. Stamp the original receipt (or a copy thereof) to the imprest fund cashier for payment with a certification containing:

1. A statement that cash payment was received in full;
2. The amount paid;
3. The date of payment; and
4. The signature and title of the supplier or supplier’s agent receiving the cash payment.

E. Imprest Fund Cashier Responsibilities. Pending receipt of material, the imprest fund cashier keeps a file of purchase request documents for imprest fund purchases. Before payment or acceptance of a document tendered for settlement of an advance, the cashier verifies the certification of receipt and the supplier’s billed price or the price paid. If a supplier’s receipt is not present for a cash payment of \$15 or less, the imprest fund cashier completes the cash receipt document and has the person receiving the payment sign it. A receipt for U.S. parcel post C.O.D. charges is required. If a receipt for C.O.D. purchases is unobtainable, imprest fund cashiers located in foreign countries may certify the receipt document by stating “Delivered by (name of post office or carrier); no receipt given.” Remove the C.O.D. label from the parcel and affix it to the receipt document to support the reimbursement voucher. Imprest fund cashiers generally may accept signed C.O.D. receipts to support subvouchers if the carrier refuses to sign a government form. After settlement, number each subvoucher consecutively beginning with “1” each fiscal year by placing this number on the original paid receipt. These subvouchers support the cashier’s claim to replenish the imprest fund. The imprest fund cashier may not request duplicate receipt documents or retain such documents, if provided. When total charges stated on the sales document are paid without deduction of discounts offered and earned or without correction of minor billing errors, the cashier starts action to obtain a refund from the supplier. Collection action may be waived for refunds of one dollar or less.

F. Payments

1. C.O.D. The imprest fund cashier or other authorized person pays the supplier or supplier’s agent on presentation of an authorized document and the required certification of receipt for supplies or services.

2. Receipt From Common Carrier or Post Office. Certification of a C.O.D. payment may be made on a list of the packages provided by the post office or common carrier, supported by copies of the applicable sales documents, if available.

3. Periodic Payments. If a blanket purchase agreement is not suitable, periodic imprest fund payments may be made for supplies delivered on a repetitive basis, so long as it is administratively convenient and agreeable to the supplier, and the accumulated amount of the deliveries for the specified period does not exceed the dollar limitation imposed by paragraph [020403](#).

4. Failure to Ship C.O.D. When material is ordered C.O.D. but is shipped by the supplier subject to payment by check, use an [SF 1034](#) (Public Voucher for Purchases and Services Other than Personal) to make payment. Under these circumstances, the receiver prepares the certificate of receipt and sends it to the imprest fund cashier. Send the shipping, receiving, and supporting documents to the DO for payment.

G. Replenishment of Imprest Funds

1. Replenish an imprest fund using [DD Form 1081](#) supported by an SF 1034 and receipts for purchases made by the imprest fund cashier. The cashier prepares and submits the DD Form 1081 in triplicate to the DO as frequently as necessary, but no less than [once a month](#). See Chapter 19.

2. At the close of the fiscal year, the imprest fund cashier submits a DD Form 1081 covering all purchases through September 30 before closing the account for the month. The cashier keeps one copy of the DD Form 1081 pending return of the signed copy of it with the replenishment checks or currency in the amounts requested by the cashier.

3. When the imprest fund is reimbursed by mail, or when long delays in the reimbursement are encountered, the imprest fund cashier may retain copies of subvouchers until reimbursement is accomplished. Place the retained copies, identified to the reimbursement voucher involved, in a sealed envelope, and give the envelope to the official who signed the DD Form 1081.

4. When supplier refunds cash before submission of the SF 1034 covering payment, the imprest fund cashier accepts the refund, returns the money to the imprest fund and enters the amount of the refund on the original of the supplier's receipt. When the refund is made after submission of the applicable SF 1034, the imprest fund cashier enters the amount of the refund on the retained copy of the reimbursement voucher, and submits the refund and a properly prepared [DD Form 1131](#) (Cash Collection Voucher) to the DO, who provides a receipt for the cashier's records.

H. Accounting. Imprest fund recordkeeping should be as simple as possible consistent with the maintenance of adequate controls. A file of suppliers' receipts for amounts paid and not yet vouchered for reimbursement and copies of paid reimbursement vouchers normally will suffice for the record of the imprest fund cashier.

I. Review. An imprest fund cashier may have to account for the established fund at any time by cash on hand, paid suppliers' receipts, unpaid reimbursement vouchers, and interim receipts for cash. Unannounced inspections of an imprest fund, to include cash counts,

are required no less frequently than quarterly by a cash verification team appointed by the commander who established the fund and appointed the imprest fund cashier. See Chapter 3. [These cash counts are also the discretion of the advancing DO.](#) Chapter 6 provides for the reporting of discrepancies and investigations, as appropriate.

020409. Imprest Fund Depository Demand Withdrawal Account

An imprest fund depository demand withdrawal account may be established for cash withdrawals only when large sums of cash must be secured for investigative accounts, or locally available financial institutions refuse to cash replenishment checks, even for a fee, when an account is not maintained with these institutions. OUSD(C) approval is required to establish such an account; See Chapter 1 for the appropriate address [for submitting a request to establish an account.](#) The imprest fund cashier keeps this approval as part of the official records. For depository accounts:

A. Financial institutions selected to maintain an imprest fund cashier's account must meet the eligibility requirements of [31 Code of Federal Regulations, Part 202.](#)

B. Signature cards for access to the account must be signed by both the principal cashier and the DoD Component Head or designee (not lower than the senior financial management officer of the installation).

C. The DoD Component Head or designee sends a letter to the financial institution advising that the funds deposited are official funds of the U.S. Government and are not subject to claim by a surviving relative of any individual designated to sign on the account.

D. Only the imprest fund cashier may make withdrawals, [using](#) checks made payable only to "Cash." Checks may not be made payable to fellow employees, vendors, or other payees. Automated teller machine withdrawals are not authorized. Specific internal controls are required to prevent unauthorized withdrawals.

E. Accounts may be interest bearing or non-interest bearing. Limit balances to immediate disbursing needs. Deposit interest earned from such accounts to the applicable DoD Component's miscellaneous receipt account. [Upon notification that interest has been credited to the account, the DO prepares a DD Form 1131 crediting 20\\*3220, General Fund Proprietary Receipts, Not Otherwise Classified, All Other for the U.S. dollar equivalent of the interest, and records the transaction as both a collection and an increase of cash on deposit in the account.](#)

F. [The imprest fund cashier maintains](#) a minimum balance sufficient to preclude service charges, unless payment of the service charge is more advantageous to the U.S. Government. The DoD Component [charges applicable operating funds for service charges](#), other fees related to the account, or for cashing U.S. Treasury checks.

G. DoD Components may not enter into any arrangement with a financial institution for overdraft protection.

H. The imprest fund cashier may not deposit replenishment checks to the account until funds are needed.

I. The DoD Component head or designee determines the maximum size of the account, but under no circumstances may it exceed \$10,000.

J. The imprest fund cashier reconciles the depository demand account monthly using an [SF 1149](#) (Statement of Designated Depository Account). The cashier submits the SF 1149 to the official who approved establishment of the imprest fund. The cashier retains copies of the completed SF 1149 as part of the official records. Comply with [ITFM, Part 4, Chapter 8000](#) and Chapter 14 regarding reconciliation, audit trails, verification, and accountability.

#### 020410. Requests for Deviation

Follow the guidance in Chapter 1 to submit requests for deviations to the imprest fund policies and procedures prescribed in this section. Items requiring approval to deviate include, but are not limited to, the following:

A. Temporary or permanent exceptions or waiver of imprest fund amount or payment limitations;

B. Placement of imprest funds in depository accounts or to support use of third party payment drafts; and

C. Keep copies of approvals for post review by representatives of the U.S. Treasury or the cognizant DoD Component audit organization.

Figure 2-1. FMS Form 5583, Signature Card

**SIGNATURE CARD**

Print Name \_\_\_\_\_

*The information requested on the enclosed form is required under the provisions of 31 U. S. C 82b to identify the accredited official for disbursing operations. Failure to provide the information may affect the accreditation of the individual.*

Notify the Financial Management Service of any change in this address.

Sign here, in form to be used on checks:

I certify that the above signature is that of the disbursing officer named.

*The signature of the person certifying should be known to the Financial Management Service* Title

Date: \_\_\_\_\_

When signed forward immediately to the Financial Management Service  
Washington, D.C. 20227

**FMS** FORM 10-88 **5583** EDITION OF 10-87 IS OBSOLETE DEPT. OF THE TREASURY FINANCIAL MANAGEMENT SERVICE

Figure 2-2. FMS Form 3023, Specimen Signatures

Department of the Treasury

Financial Management Service  
Headquarters Operations  
Reconciliation Branch  
Check Records Section  
Hyattsville, MD 20782

The information requested on the enclosed form is required under the provisions of 31 U.S.C. 82b to identify the accredited official for disbursing operations. Failure to provide the information requested may affect the accreditation of the individual.

The above privacy act notice requirement should be associated with each TFS Form 3023 and/or each TRS Form 5583 upon release.

My official signature as it will appear on checks drawn on the United States Treasury is shown in EACH of the 14 spaces below.

I understand that a legible signature is desirable and that signatures on checks should conform closely to these specimens. I will use a permanent ink of dark-blue, blue-black, or black color.

I will furnish new specimen signatures if a change in the form of my signature is to be made, and I will observe all of the provisions of Treasury Fiscal Requirements Manual, Part IV Chapter 5000 in the issue, care, and use of checks.

Print Name

Signature and Date

When the signagraph is used, submit additional signatures on blank sheets.

SPECIMEN SIGNATURES

SPECIMEN SIGNATURES

[Empty signature box]

Figure 2-3a. SF 1219, Statement of Accountability (Final upon Relief)

STANDARD FORM 1219 Revised April 1982 Department of the Treasury 1-TFM 2-3100		<b>STATEMENT OF ACCOUNTABILITY</b>	
NAME OF DISBURSING OFFICER JAMES LAWRENCE RICHARDS		LOCATION OF DISBURSING OFFICER (Mailing Address) USS MARS (AFS-1) FPO AP 96672-3030	
NAME OF AGENCY NAVY			
PERIOD OF ACCOUNT FROM 01 NOV 20XX THROUGH 30 NOV 20XX		AGENCY LOCATION CODE (ALC) (Show main check symbol number) 5219	
<b>SECTION I - GENERAL STATEMENT OF ACCOUNT</b>			
<b>PART A. - TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY</b>			
1.00		TOTAL ACCOUNTABILITY BEGINNING OF PERIOD	10,000.00
	INCREASES IN ACCOUNTABILITY		
2.1	CHECKS ISSUED ON U.S. TREASURY	8,000.00	
2.3	OTHER TRANSACTIONS		
2.34	DISCREPANCIES IN D.O. ACCOUNTS - CREDITS		
2.36	PAYMENTS BY ANOTHER D.O.		
2.37	TRANSFERS FROM OTHER DISBURSING OFFICERS		
2.39			
2.9	TOTAL INCREASES IN ACCOUNTABILITY	8,000.00	
3.0		SUBTOTAL	18,000.00
4.0	DECREASES IN ACCOUNTABILITY		
4.1	NET DISBURSEMENTS	7,500.00	
4.2	DEPOSITS PRESENTED OR MAILED TO BANK	3,000.00	
4.3	OTHER TRANSACTIONS		
4.34	DISCREPANCIES IN D.O. ACCOUNTS - DEBITS		
4.36	PAYMENTS FOR ANOTHER D.O.		
4.37	TRANSFERS TO OTHER DISBURSING OFFICERS		
4.39			
4.9	TOTAL DECREASES IN ACCOUNTABILITY	10,500.00	
5.00		TOTAL ACCOUNTABILITY CLOSE OF PERIOD	7,500.00
<b>PART B. - ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY</b>			
6.1	CASH ON DEPOSIT IN DESIGNATED DEPOSITORY		\$
	(Name and location of depository)		
6.2	CASH ON HAND		7,000.00
6.3	CASH - UNDEPOSITED COLLECTIONS		
6.4			
6.5	CASH IN CUSTODY OF GOVERNMENT CASHIERS		500.00
6.6			
6.7			
6.8			
6.9			
7.1	DEFERRED CHARGES - VOUCHERED ITEMS		
7.2	RECEIVABLES - CHECK OVERDRAFTS		
7.3	LOSSES OF FUNDS		
7.4	RECEIVABLES - DISHONORED CHECKS		
7.5			
7.6			
7.7			
7.8			
7.9			
8.0	TOTAL OF MY ACCOUNTABILITY		7,500.00
<b>PART C. - ANALYSIS OF PREDECESSOR OFFICERS' ACCOUNTABILITY</b>			
9.2	RECEIVABLES - CHECK OVERDRAFTS		
9.3	LOSSES OF FUNDS		
9.4	OTHER ACCOUNTABILITY		
10.0	TOTAL PREDECESSOR OFFICERS' ACCOUNTABILITY		0.00
11.0	TOTAL DISBURSING OFFICER ACCOUNTABILITY (Same as line 5.00 above)		7,500.00
<p>I have received on 30 NOV XX by transfer from LT James L. Richards, SC, USN, \$7,500.00, an analysis of which is included in Sections I-B and I-C above.</p> <p style="text-align: center;">John A. Hancock, LTJG, SC, USN</p> <p>I certify that this is a true and correct statement of accountability for the period stated at the office referred to above.</p>			
NAME AND TELEPHONE NUMBER OF CONTACT <b>FINAL</b> J. A. HANCOCK COM. (619)952-2222 DSN 496-2222		SIGNATURE AND TITLE OF CERTIFIER J. L. RICHARDS	
NSN 7540-00-634-4245(OVER) PREVIOUS EDITION NOT USABLE 1219-106			

Figure 2-3b. SF 1219, Statement of Accountability (Reverse)

SECTION II - SUMMARY BY SYMBOL OF CHECK AND DEPOSIT TRANSACTIONS WITH U.S. TREASURY						
PART A. - CHECKS ISSUED AND ADJUSTMENTS FOR PRIOR PERIODS *						
CHECK SYMBOL  (1)	AMOUNT OF CHECKS ISSUED THIS PERIOD  (2)	ADJUSTMENTS FOR PRIOR MONTH'S ISSUES ( + or - )				TOTAL CHECKS ISSUED + (Columns 2 + 3 and + 4)  (5)
		BY TFS FORM 5206		OTHER		
		ISSUE <i>Month and year</i>	AMOUNT	ISSUE <i>Month and year</i>	AMOUNT	
	TC 210		TC 211		TC 212	
5219	8,000.00					8,000.00
TOTALS						
PART B. - SUMMARY OF DEPOSITS PRESENTED OR MAILED TO BANK (Line 4.2)						
DEPOSIT SYMBOL  (1)	DEPOSITS PRESENTED OR MAILED TO BANK THIS MONTH  (2)	DEPOSITS PRESENTED OR MAILED TO BANK IN PRIOR MONTHS BUT RECORDED IN ACCOUNTS THIS MONTH		TOTAL DEPOSITS PRESENTED OR MAILED TO BANK ** (Column 2 + 4)  (5)		
		MONTH PRESENTED OR MAILED TO BANK  (3)	AMOUNT  (4)			
	TC 420		TC 420			
5219	3000.00			3,000.00		
TOTALS						
* The totals reported in these columns must be in agreement with the corresponding amounts reported on the SF 1179. + The total reported in this column must be in agreement with the total shown on Line 2.1 on the face of this statement. ! For use only if more than one (1) symbol is listed. ^ The total reported in this column must be in agreement with the total shown on Line 4.2 on the face of this statement.						