

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 5, CHAPTER 2
“DISBURSING OFFICES, OFFICERS, AND AGENTS”**

All changes are denoted in blue font

Substantive revisions are denoted by a * preceding the section,
paragraph, table or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, blue, italic font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Revised the entire chapter to include administrative updates and hyperlinks. Due to revisions and deleted sections, the chapter's sections were renumbered accordingly.	Update
020101.G	Add reference and link to Chapter 3 of this volume.	Add
020207	Add reference and link to Chapter 9 of this volume.	Add
020306.A	The commander of the installation shall certify Financial Management Service Form 5583 when the disbursing officer and deputy disbursing officer are not collocated.	Add
020601.A	Permits use of DD Form 577 to appoint agents.	Add
020601.D	Include requirement to issue a letter of termination to appointed agents when a disbursing officer is relieved, when the agent ceases to perform the duties for which appointed, or for cause.	Add
020602.C 020603.C 020604.A 020605.B 020606.C 020607 020608.A	Revised instructions on appointments by referring to standard guidance in subparagraph 020601.A.	Update
020604.B	Adds guidance prohibiting paying agents from being appointed as certifying officers.	Add
020605	This section (Collection Agents) was moved from section 0207.	Update
020606	This paragraph (Change Fund Custodians) was moved from section 0208.	Update
020608	This paragraph (Alternate Agents) was moved from section 0211.	Update
020608.B	This subparagraph (Alternate Imprest Fund Cashier) was moved from subparagraph 020905.D.	Update
020609	This paragraph (Death, Incapacity, or Unauthorized Absence of Agents) was moved from section 0212.	Update

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PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
0207	This section (Imprest Funds) was moved from section 0209.	Update
Former 0210	The information for Convenience Checks has been included in Volume 10, Chapter 23 of the Financial Management Regulation. As a result, the section has been deleted from this Chapter.	Delete

TABLE OF CONTENTS

DISBURSING OFFICES, OFFICERS, AND AGENTS

0201	Establishing a Disbursing Office
0202	Closing a Disbursing Office
*0203	Disbursing Officers, Deputies and Other Accountable Positions
0204	Commencement of and Relief from Disbursing Duty
0205	Change in the Status of Disbursing Officers or Deputies
*0206	Agents of Disbursing Officers
*0207	Imprest Funds
Figure 2-1	FMS Form 5583, Signature Card
Figure 2-2	FMS Form 3023, Specimen Signatures
Figure 2-3a	SF 1219, Statement of Accountability (Final Upon Relief)
Figure 2-3b	SF 1219, Statement of Accountability (Reverse)

CHAPTER 2

DISBURSING OFFICES, OFFICERS, AND AGENTS0201 ESTABLISHING A DISBURSING OFFICE

020101. Request for Establishment. Send requests to establish disbursing offices at new activities, or at activities receiving disbursing services from external sources, by memorandum through the requesting activity's chain of command to the Director, Defense Finance and Accounting Service (DFAS), ATTN: DFAS-NPD/IN, 8899 East 56th Street, Indianapolis, IN 46249-0500. The appropriate Service sends notices of activation/deactivation, reorganization, or deployment-tactical activities to DFAS-NPD/IN and the supporting DFAS site, including in all communications:

- A. Reason 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. If military or civilian personnel are to be paid, identify the automated payroll system to be used.
- C. Proposed date of establishment.
- D. Name of the nearest Federal Reserve Bank (FRB) or branch, including its location and 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. Estimate of United States (U.S.) Treasury checks required 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](#) of this volume.
- 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](#) of this volume.
- 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. Assignment. The commander of the activity granted approval to establish a disbursing office notifies DFAS-NPD/IN and requests a new DSSN, including in that request both a copy of the initial request to establish the disbursing office and a copy of the approval notification. DFAS-NPD/IN obtains a DSSN from the Department of the Treasury's Financial Management Service (Treasury FMS) for each approved disbursing activity. DSSNs are permanent and, from Treasury FMS's 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. For example, a ship undergoing extensive overhaul for a period of several months may arrange for disbursing service from a shore 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 depository 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 of this volume 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 an [SF 1219 \(Statement of Accountability\)](#); or
3. In settlement pending closure; see [Chapter 22](#) of this volume.

B. Change in Designation or Location. Coordinate proposed changes in the designation or location (mailing address) of a disbursing activity after assignment of the DSSN with Treasury FMS' Check Reconciliation Branch, through DFAS-NPD/IN.

C. Use of DSSN. The DSSN must appear on all payment and collection vouchers and U.S. Treasury and limited depository 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-NPD/IN by memorandum immediately upon commencement of disbursing operations. Include the name of the activity, the DSSN assigned, the name and rank or grade of the DO, 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 of this volume for machine specifications, signature plate requirements and ordering procedures.

B. Publications. Disbursing activities obtain publications governing the operation of a disbursing office and keep them current for reference purposes.

C. Supply of Blank Forms. Prepare an estimate of the type and quantity of blank forms needed to sustain the actual or anticipated volume of business and update it periodically to avoid stockpiling seldom-used forms.

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

0202 CLOSING A DISBURSING OFFICE

020201. General. Follow the policies and procedures in this section when closing a disbursing office permanently. Once a DSSN has been closed, it may be used only for settlement purposes. If the DSSN is to be reopened, the DO must request and receive approval for reactivation from the Treasury FMS through DFAS-NPD/IN. Treasury FMS also must approve a new check range.

020202. 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 of this volume.

020203. Notification of Closure. The DO of the office being closed:

A. Notifies all affected activities, agencies, commercial concerns (including depositaries when applicable), and individuals of the disbursing office closure date and the name and location of the settlement office to which all accounts will be transferred.

B. Notifies Treasury FMS by memorandum through DFAS-NPD/IN that the DSSN is being closed. State in the memorandum the date of closure, 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 for each check range by each deputy where separate check series are assigned to deputies at branch disbursing offices. Send a copy of the memorandum to the supporting DFAS site. Once a DSSN is reported to Treasury FMS as being in a settlement status, it may not be reopened or transferred to another location without specific Treasury FMS approval. Once the settlement office has met all requirements in Chapter 22 of this volume pertaining to closing the DSSN, Treasury FMS will close the DSSN permanently.

- C. Requests commanders terminate appointments of all agents they appointed.
- D. Terminates all deputy, agent and cashier appointments.
- E. Requests commanders terminate DO's and agents' authorities to hold cash at personal risk.
- F. Clears all outstanding agent, imprest fund cashier, and change fund custodian advances.

020204. Deposits. Deposit all currency, coin, negotiable instruments and limited depository account balances to the credit of the Department of the Treasury on an SF 215 (Deposit Ticket). See [Chapter 5](#) of this volume.

020205. Deposit Fund Account Balances. Transfer deposit fund account balances that could not be cleared before closure to the designated settlement office. Send a detailed list of the persons owed or funds to be reimbursed along 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.

020206. Undeliverable Checks. Cancel all undeliverable checks. Return checks forwarded by other DOs that are undeliverable to the forwarding DOs for cancellation. See [Chapter 8](#) of this volume.

020207. Blank U.S. Treasury Check Stock. Destroy remaining blank check stock (see Chapter 8 of this volume) and report the checks on the [SF 1179](#) (Month End Check Issue Summary) and [Checks-Issued Report \(Report 72; see Chapter 9 of this volume\)](#) as voids (zero dollar value issues).

020208. 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](#) of this volume.

020209. 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) as prescribed in Chapter 8 of this volume.

020210. 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, then the DO turns over the equipment to the supporting property disposal office. See Chapter 7 of this volume for disposition of signature plates.

020211. Retained Records. Send the retained records to the designated settlement office as prescribed in Chapter 21 of this volume.

NOTE: DOs preparing an office for closure ensure that no discrepancies exist in their 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 (i.e., 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.).

0203 DISBURSING OFFICERS, DEPUTIES AND OTHER ACCOUNTABLE POSITIONS

020301. Persons Authorized to Have Custody of Public Funds

A. General

1. Title 31 United States Code (U.S.C.) 3321(c)(2) requires the Secretary of Defense to designate disbursing officials to disburse public moneys available to DoD. In that regard, a DO is an agent of the U.S. Treasury.

2. 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.

B. Accountable Positions. Except as otherwise specifically provided, only DOs and their duly appointed deputies, agents, and cashiers may regularly receive and maintain custody of public funds. Individuals designated to distribute salary checks and those appointed by the commander as imprest fund cashiers, collection agents, change fund custodians, or paying agents are also considered to be serving in accountable positions, even though those functions are not the direct responsibility of the DO. 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.

C. Exceptions

1. General. An individual who may on occasion receive or maintain custody of public funds need not be designated formally to fill one of the positions listed in subparagraph 020301.B of this chapter. Public 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 impracticable to have a formal designation in effect. Persons other than those formally designated send funds received promptly to the DO serving the activity or to another person formally designated to receive them. DOs and others 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 such funds.

2. Specific. Do not appoint individuals who perform only the following functions in connection with public funds agent positions:

- a. Sales personnel in retail outlets and mess cashiers;
- b. Mailroom employees and messengers who may handle public funds occasionally in connection with their regular duties;
- c. Personnel receiving public funds exclusively in the form of checks drawn payable to a Military Component; or
- d. Personnel who handle funds as assistants to holders of accountable positions but who do not sign receipts holding themselves accountable for the funds.

020302. Restrictions on and Exceptions to Duty Assignments of Individuals Handling Public Funds

A. Restrictions. Do not appoint individuals performing duties as disbursing agents, deputy DOs (DDO), cashiers, paying agents, collection agents, change fund custodians or imprest fund cashiers involving the custody or disbursement of public funds concurrently to other accountable positions involving the handling, custody, or accountability for other funds.

B. Exceptions

1. DOs at DFAS sites may hold more than one DSSN. These DOs may also serve concurrently as deputy DOs to other DFAS DOs. Each deputy appointed by the DFAS DO may serve under one or more of the DSSNs assigned to the appointing DFAS DO. DFAS Deputy DOs may also serve more than one DFAS DO simultaneously.

2. DOs aboard Navy vessels also may serve concurrently in other accountable positions such as ship's stores officer or food service officer when the ship's manpower authorization does not provide Supply Corps officers for each accountable function.

3. When directed by appropriate authority in accordance with law and regulation, DOs, deputies, and agents accept, safeguard, account for and dispose of personal funds and valuables received for safekeeping. See [Chapter 27](#) of this volume.

4. Where personnel resources are limited, persons serving as DOs or other accountable officials listed in subparagraph 020302.A of this chapter may also serve as safekeeping custodians at the commander's discretion.

020303. Additional Duties. Except as specifically authorized in this volume, do not assign DOs additional duties of order approving authority, certifying officer for claims for reimbursement and contingency funds, custodian of any fund, or other conflict-of-interest assignment.

020304. Appointment of a DO

A. Establishment of a DO position. The DoD Component manpower center or Military Service commander may approve the establishment of DO positions for Military Service disbursing offices. The DFAS Director or designee may approve the establishment of DO positions for DFAS disbursing offices. (NOTE: Standards established by the Office of Personnel Management determine grade levels of civilian DO positions.)

B. Appointment of a DO. The authorized approving authority for DOs issues the required orders and appointment letter to the DO. (NOTE: A civilian employee serving as a DO receives only an appointment letter.) The letter states the DO's specific duties and includes the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control," and a statement that confirms that the appointee has been counseled regarding pecuniary liability and been given written operating instructions. The appointee acknowledges acceptance of the appointment on the original and all copies of the letter of appointment. Send a copy of the letter of appointment and the required original specimen signature forms (FMS Form 5583 (Figure 2-1) and FMS Form 3023 (Figure 2-2)) to DFAS-NPD/IN to be maintained in the DO files.

C. Eligibility. To be eligible for a DO appointment, an individual must have previous experience as a DO or have completed (or agree to complete) specific DO training. DO appointees must be U.S. citizens.

D. Internal Controls. See [Chapter 1](#) of this volume.

020305. Appointment of a Deputy DO

A. Establishment of Deputy DO Positions. A DO normally should request the establishment of at least one deputy DO position, and personally signs requests for these positions. From a security standpoint, do not allow an excessive number of individuals access to public funds. The authorized approving authority for DOs (see subparagraph 020304.A of this chapter) ensures that only a minimum number of deputy positions are approved at disbursing activities under a DO's jurisdiction. Requests to establish deputy positions include a justification for the position and the following information:

1. The specific location supported by the deputy DO position;
2. The number of deputies that presently support the site(s);
3. The specific duties to be performed by the deputy DO; and

4. An estimate of the monthly value of funds to be advanced, collected, and disbursed by the deputy DO.

NOTE: The DoD activity commander appointing the DO (see subparagraph 020304.A of this chapter) may approve the establishment of deputy positions for DoD disbursing activities. Once the number of authorized deputy positions is approved, the DO sends a copy of the approval memorandum to DFAS-NPD/IN.

B. Appointment of a Deputy DO. DOs appoint deputy DOs by formal letter of appointment. The letter states the specific duties authorized to be performed by the deputy and includes the statement “I acknowledge that I am strictly liable to the United States for all public funds under my control,” and a statement that confirms that the appointee has been counseled with regard to pecuniary liability and has been given written operating instructions. The appointee acknowledges acceptance of the appointment on the original and all copies of the letter of appointment. Send a copy of the letter of appointment and the required original specimen signature forms (FMS Form 5583 and FMS Form 3023) to DFAS-NPD/IN to be maintained along with the DO files.

C. Eligibility. An officer, enlisted member, or civilian employee satisfactory to the DO and who is a U.S. citizen is eligible for appointment as a deputy DO.

D. Internal Controls. See Chapter 1 of this volume.

E. Termination of Appointment. The DO may revoke the appointment of a deputy at any time. When a DO is relieved from disbursing duties, that DO revokes the appointments of all deputy DOs. In all cases, address the notice (memorandum) of revocation of a deputy’s appointment to the deputy, and send a copy to DFAS-NPD/IN. If another individual will succeed the deputy, send a copy of the letter of appointment and the required original specimen signatures for the new deputy with the copy of the memorandum of revocation.

* 020306. Submission of Signature Card and Specimen Signatures

A. Official Signature. Before commencing disbursing operations, a DO and all appointed deputies determine which of their given names and/or initials will comprise their official signatures, and use them on all checks, vouchers, official papers and correspondence pertaining to the DoD, Government Accountability Office and Department of the Treasury. Send these signatures to DFAS-NPD/IN on FMS Form 5583 (Signature Card) and FMS Form 3023 (Specimen 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 DDO are not collocated, the commander of the installation certifies the DDO’s signature**). Send the completed original forms to DFAS-NPD/IN. Use permanent dark blue, blue-black, or black **fade resistant ink that is not readily soluble in water** for manual signatures. In addition to the above, three official signature specimens are required to procure a signature plate; see Chapter 7 of this volume for specific guidance.

B. Official Signatures to Other Depository. If checks will be drawn on a depository other than the Department of the Treasury, then furnish the DO's official signature (as well as that of the deputy, if authorized to sign depository checks) to the depository. An officer whose signature is known to the depository must certify the forms.

C. Change of Official Signature. The official signature of a DO or deputy may be changed by submitting a new FMS Form 5583 and FMS Form 3023 to DFAS-NPD/IN.

D. Furnishing Additional Signatures When Transferred to a New Station. The original FMS Form 5583 becomes a permanent part of DFAS-NPD/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-NPD/IN may request additional signatures if needed. When a DO or deputy frequently changes disbursing offices, the supply of specimen signatures furnished on FMS Form 3023 may become exhausted. DFAS-IN/NPD files specimen signature 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.

0204 COMMENCEMENT OF AND RELIEF FROM DISBURSING DUTY

020401. Commencement of Disbursing Duty. A DO who activates a new disbursing office, reactivates a disbursing office that has been temporarily closed, or relieves another DO immediately upon commencement of disbursing duties prepares a memorandum that includes the name of the activity, the DSSN assigned, the name and rank or grade of the DO, the opening date of the account, the beginning and ending serial number of all blank U.S. Treasury checks **on hand** within each check range, and, if applicable, the name and rank or grade of the relieved DO, keeps the original memorandum in the disbursing office, and sends copies to DFAS-NPD/IN and the supporting DFAS site. Navy DOs also send a copy to the DFAS site where the financial reports will be submitted.

020402. Relief From Disbursing Duty

A. Joint Action by Both the Relieved and the Relieving DO. Upon reporting for disbursing duty to relieve a DO, establish the date when relief actually will take place (subject to approval by the commander). Relief should occur on the last day of the month to preclude the need to submit two sets of financial reports in the same month, if possible. On the date relief occurs, the relieved and the relieving DOs:

1. Verify cash on hand.
2. Verify all other documents that support the SF 1219 as assets.
3. Verify and inventory all blank U.S. Treasury checks and prepare a letter of transfer for them. Both the relieved and the relieving DOs sign the letter. The relieving DO reports all checks issued by the relieved officer that were not reported to the Department of

the Treasury before the transfer of accountability and for resubmitting any rejected entries. Include the numbers of the blank checks the relieving officer 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 relieved officer'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 relieved officer. Research any checks missing or out of numerical sequence and void them if necessary.

4. Verify postal money orders on hand, if applicable.

5. Verify safekeeping deposits, if applicable. (See Chapter 27 of this volume.)

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

7. Verify and transfer all backup documentation for open balances in the **F3880, **F3875, and **F3885 clearing accounts. The Treasury Financial Manual, Volume I, Part 4, [Chapter 7000](#), requires that these accounts be cleared to the proper appropriations or funds as expeditiously as possible. For clearing account **F3880, the relieved 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 as required by Chapter 8 of this volume.

8. Validate unreconciled differences (i.e., check issue discrepancies, deposit discrepancies, and Intra-governmental Payment and Collection (IPAC) system differences). If the departing DO cannot provide the incoming DO with documentation supporting the unreconciled items, the departing DO processes all unsupported items as losses or overages of funds as prescribed in [Chapter 6](#) of this volume.

9. Balance the Automated Teller Machine (ATM) system by performing a complete end-of-session process as prescribed in [Chapter 26](#) of this volume.

B. Action by Relieved DO. Upon relief from disbursing duty, the relieved DO:

1. Terminates all deputy, agent and cashier appointments and clears all related [DD Form 1081](#) (Statement of Agent Officer's Account).

2. Transfers all cash, negotiable instruments, money accounts, books, property, vouchers and other retained records to the relieving DO.

3. Prepares and submits a final SF 1219. The relieving DO signs a certificate of acceptance of total accountability on the SF 1219 as prescribed in Chapter 19 of this

volume. See Figure 2-3.

4. Prepares and submit a final SF 1179. The relieving DO signs and marks the SF 1179 as "FINAL."
5. Sends a copy of the relieving 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.
6. Prepares and sends a memorandum to the supporting DFAS site and DFAS-NPD/IN advising of the date and check number of the last check issued.
7. Sends signature plates or digitized signature media being withdrawn from service (i.e., not to be used again), to DFAS-NPD/IN for destruction. When the plate or digitized signature medium has been destroyed, DFAS-NPD/IN sends a certificate identifying the specific plate or digitized signature medium, along with date of destruction, to the former DO. If the digitized signature medium is a computer diskette (CD) containing the DOs signature and that signature has been loaded to the printer or check signer software, then 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 printer software.
8. Transfers custody of the check-signing machine to the relieving officer, if applicable.
9. Verifies balances in suspense accounts are properly documented.

C. Action by Relieving DO. This subparagraph pertains to the relieving DO upon transfer of accountability from the relieved DO. The relieving 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 a relieving DO before reporting to the new disbursing activity as well as actions required as part of the relief process:

1. Upon receipt of orders to disbursing duty, send original specimen signatures to DFAS-NPD/IN by completing FMS Forms 5583 and 3023. If signatures have been furnished previously as a DO or deputy DO, submission of new specimen signatures is not required unless specifically requested or a change of official signature is desired. If, however, the officer to be relieved has a limited depositary checking account, send specimen signatures to the limited depositary.
2. Contact the disbursing 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 plates required). If the relieving officer has never had a signature plate, provide specimen signatures to DFAS-NPD/IN and request the required plates be ordered in enough time to arrive before the actual date of relief. If a signature plate compatible with the check signing machine is in safekeeping at DFAS-NPD/IN, request that office send the plate to the new

disbursing office. If signature plates cannot be received or obtained before the actual date of relief, the relieving DO may request DFAS-NPD/IN authorize the use of the relieved DO's signature plates until new plates arrive. This will allow continued efficient operations of the disbursing office. Under this procedure, pecuniary liability for improper payments made on or after the date of assuming responsibility rests with the relieving accountable DO.

3. Send a memorandum announcing the commencement of disbursing duty to DFAS-NPD/IN and to the DFAS site that receives the DO's financial reports.

4. Appoint at least one deputy DO and send the required copies of the appointment and signature cards to DFAS-NPD/IN. Appoint agents, cashiers and other internal designations as necessary.

5. 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.

6. Change the combination of all safes including those assigned to other accountable individuals.

7. Review cash-on-hand requirements. If the current cash authority continues to be valid, the new DO may retain it until the normal resubmission date. Otherwise, the new DO submits a new request as soon as possible after assuming the account.

8. Order all required official publications not on hand.

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

0205 CHANGE IN THE STATUS OF DISBURSING OFFICERS OR DEPUTIES

020501. Authorized Absence of DOs or Deputies at Branch Offices. During an authorized absence, the DO remains liable 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 ensures 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).

020502. Death, Incapacity, or Removal of a DO from Duty for Cause

A. General. When a DO dies, is incapacitated, or is removed from disbursing duty for cause (including unauthorized absence), the deputy, 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.

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

1. Seizes and seals all disbursing spaces, keys, property and safe(s) to ensure the security of the funds, property and spaces involved.
2. Appoints a board of at least three disinterested but qualified persons to inventory the vouchers, funds and property on hand (see subparagraph 020502.C of this chapter).
3. Based on the disbursing needs of the activity:
 - a. Appoints a suitable person to act as custodian of the disbursing office's vouchers, funds and property (see subparagraph 020502.D of this chapter); or
 - b. Appoints a suitable person (normally a deputy DO) 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 subparagraph 020502.E of this chapter).
4. Notifies the supporting DFAS site by message or email of all actions taken and provides an information copy to DFAS-NPD/IN. Navy disbursing offices also notify (and provide an information copy of the notification to) the DFAS site that receives the DO's financial reports.

C. Responsibility of the Inventory Board. The board appointed as prescribed in subparagraph 020502.B.2 of this chapter takes a complete inventory of all public funds, including advances to deputies, agents and cashiers; vouchers evidencing receipt, transfer, or disbursement of funds; safekeeping deposits; ATM safekeeping accounts, and 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 relief DO. It verifies all official records to determine that the cash on hand agrees with the records and that all checks used 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 of this volume. 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 relief 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.

D. Responsibility of the Custodian. When the original inventory is received, the custodian assumes custody of the public funds and property formerly held by the 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.

E. Responsibility of the Acting Accountable DO (Deputy). The deputy DO appointed to serve as an 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; i.e., “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 DO. Include vouchers for which checks have been drawn but not delivered in the first reports covering transactions made by the deputy. Submit subsequent financial reports at the normally prescribed times in the name of the former DO, signed by the deputy, and include an explanation that the reports include only transactions made by the deputy under authority of this subparagraph 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 deputy 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 deputy, 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.

F. Responsibility of the Relief DO. If the commander appoints an individual as DO to relieve the deceased, incapacitated, or removed DO, the relieving officer is responsible for performing all actions required in section 0204 of this chapter. The relieving DO is responsible for rendering financial reports in his own name the same as any other DO.

G. Administration of the Accounts of a Deceased, Incapacitated or Removed for Cause DO. Protect the rights of a deceased, incapacitated, or removed DO, as well as the custodian, acting accountable DO, or relief so that, in the event of differences discovered during settlement of the accounts, responsibility may be assigned to the appropriate individual. The acting accountable DO or relief completes the vouchers, closes the accounts, maintains custody of records and renders the final reports of the former DO. Sign documents prepared in connection with the administration and settlement of the accounts of a former 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 relief is accountable only for the vouchers, funds and property on hand when the second inventory is taken. The custodian, acting accountable DO, or relief is accountable for all vouchers, funds, property and transactions which took place from the date the original inventory was received.

H. Deputy at Branch Disbursing Office. In the event of the death, incapacity, unauthorized absence, arrest or other emergency absence of a deputy at a branch disbursing office, the local commander advises the DO as expeditiously as possible. Depending upon the circumstances, the DO requests that the commander of the activity where the branch office is located appoint a board to take an inventory of the vouchers, funds, and property of the deputy 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.

***0206 AGENTS OF DISBURSING OFFICERS**

020601. General. Officers, enlisted members, or civilian employees satisfactory to both the appointing officer and DO are eligible for appointment as an agent, e.g., paying agent, cashier, imprest fund cashier. [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.](#) The local commander establishes and approves accountable positions as agents of DOs.

A. The appropriate appointing official appoints individuals in writing as explained in the following paragraphs for each specific position, and may use [DD Form 577 \(Appointment/Termination Record – Authorized Signature; see Chapter 33 of this volume\)](#) for this purpose. In all cases, include in the appointment the specific duties and limitations, effective date, duration of the appointment and the name of the individual being relieved, if any. The appointed individual must acknowledge appointment and acceptance of the position on the original and all copies of the appointing document, which must include the statement “I acknowledge that I am strictly liable to the United States for all public funds under my control.” Regardless of the manner of appointment, DO’s agents are pecuniarily liable under accountable officer laws for any losses from the public funds in their possession. When appointing agents, the appointing authority should carefully consider the necessity of 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 of this volume.](#)

B. From a security standpoint, do not allow excessive numbers of individuals access to public funds. Commanders ensure that only the minimum number of accountable positions are authorized at activities under their jurisdictions. Examination and inspection teams should review the number of accountable positions in use at disbursing activities and include comments and recommendations, as appropriate, in the report of examination or inspection.

C. Keep letters of appointment in a permanent file at the activity to show the successive holders of each position for at least 6 months after an individual ceases to serve in the position. Appointments as agents of DOs are effective only while the DO continues to serve as DO of that activity. An appointing officer may revoke agent appointments any time. A revocation must be in writing and include the effective date of the revocation. Except as provided in this volume, individuals appointed as DOs' agents may neither serve concurrently in any other accountable position, nor be charged with the handling or custody of any other funds.

D. [Appointing authorities terminate appointments when appropriate \(e.g., when the DO is relieved, when the agent ceases to perform the duties for which appointed, or for cause \(see subparagraph 020402.B.1\)\), either by letter or the DD Form 577 Section IV.](#)

020602. Disbursing Agents

A. Duties and Responsibilities. A disbursing agent is a DO's agent who has not been appointed as a deputy DO. Normally, a disbursing agent operates a permanently located disbursing office of considerable size that is geographically separated from the DO's office. In some instances, a one or two person disbursing agent office may be established. The use of disbursing agents is not restricted to geographic separation from the DO. Unlike the DO or deputy DO, a disbursing agent cannot sign/issue U.S. Treasury checks. A disbursing agent prepares disbursement and collection vouchers as an agent of the DO. These vouchers become part of the DO's overall accountability.

B. Establishment of Position. The appropriate major command or Defense agency establishes disbursing agent positions in writing. When the duties of the position include the authority to sign/issue U.S. Treasury checks, see paragraph 020305 of this chapter.

C. Appointments. [DOs appoint disbursing agents; see subparagraph 020601.A of this chapter.](#) Issue the letter of appointment to the appointee, providing a copy to the commander and to the DO.

020603. Cashiers

A. Selection Procedure. An officer, enlisted member, or a civilian employee with working knowledge of the cash functions and operations may be designated 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.

B. 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 or deputy (or disbursing agent) must personally review them.

C. Appointments. The local DO or disbursing agent appoints cashiers; see [subparagraph 020601.A of this chapter](#). Give the original acknowledged letter of appointment to the cashier, keep a copy in the office where duties are performed, and give a copy to the appointing DO or disbursing agent.

D. Restrictions. A cashier may not:

1. Sign checks.
2. 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.
3. Prepare billing documents and accept collections for the same items. This restriction also applies to agents performing cashier duties.
4. Prepare vouchers that they will later pay.
5. Prepare vouchers days when they perform cashier functions.

020604. Paying Agents

A. Appointments. Commanders appoint paying agents [only when adequate payment, check cashing, or currency conversion service cannot be provided otherwise](#); see [subparagraph 020601.A of this chapter](#). Appointments may be for either a specific transaction, or a definite or indefinite time period. Do not appoint these agents solely as a convenience when a DO, deputy, disbursing agent, or cashier is able to make the required transactions. In an unusual situation (e. g., payments or currency conversions must be made at remote locations where use of checks is not feasible), the DO may request that the remote location commander appoint a paying agent to make the necessary transactions for and in the name of the DO from funds advanced for that purpose.

B. Restrictions. [Under normal circumstances](#), paying agents may not act as [certifying officers](#) (see [Chapter 33](#) of this volume) or purchasing officers; escort officers serving as paying agents for expenses related to official travel may likewise not be purchasing officers.

020605. Collection Agents

A. Establishment of Positions. Commanders may approve and 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 deemed

appropriate by the commander.

B. Appointments. Appointments of collection agents continue during an agent's service at the activity unless revoked by the appointing authority; [see subparagraph 020601.A of this chapter](#). They may remain in effect through succeeding commanders or other authorized appointing authorities.

C. Revocation of Appointments. The appointing authority may revoke the appointment of a collection agent at any time. Address the written revocation to the agent and include the effective date of the revocation.

[020606](#). Change Fund Custodians

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

B. Establishment of Position. The sales activity commander (e.g., hospital, commissary) establishes the position of change fund custodian.

C. Appointments. The commander of the activity or designee appoints a change fund custodian, [see subparagraph 020601.A of this chapter](#), coordinating the appointment with the parent DO.

[020607](#). Imprest Fund Cashiers. The commander appoints imprest fund cashiers 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; [see subparagraph 020601.A of this chapter](#). DOs, disbursing office personnel, certifying officers and individuals responsible for originating, approving and processing requirements are not eligible for appointment as imprest fund cashiers. An imprest fund cashier (or alternate) may not have access to or control of more than one fund or be concurrently appointed to any other accountable position. Keep the appointing document and approval for establishment of the imprest fund in a permanent file. Furnish two copies of the documents to the cashier and one copy each to the disbursing office and the installation or activity contracting office. See [section 0207 of this chapter](#).

[020608](#). Alternate Agents

A. General. When required, one or more alternate agents may be designated to serve only during the absence of an appointed agent; alternate agents for deputy DOs are not permitted. The official authorized to appoint the primary agent also appoints alternates; [see subparagraph 020601.A of this chapter](#). When serving in place of the primary agent, the alternate is subject to all regulations applicable to the primary. Alternates may not merge funds received with those of the primary agent, and maintains records separate from those of the primary agent to establish the amount for which each is responsible. Alternates may not conduct operations

involving the handling of public funds concurrently with the primary. With an appointing officials' written authorization, a primary agent may advance a specified portion of cash holdings to an alternate for use only during the primary agent's absence. Use a DD Form 1081 signed by the alternate and held by the primary to document the advance.

B. Alternate Imprest Fund Cashier. The commander may appoint an alternate imprest fund cashier to provide service during a principal cashier's absence. Appointment requirements for principal cashiers apply to alternate cashiers. In planned absences of the principal cashier, 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.

020609. 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 020502 of this chapter for deputies at branch offices, but appoint relieving agents in accordance with the procedures applicable to the position involved. In the case of an imprest fund cashier, the relieving imprest fund cashier prepares the final voucher.

0207 IMPREST FUNDS

020701. 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. Department of the Treasury Financial Manual for Guidance of Departments and Agencies, [Volume I, Part 4, Chapter 3000](#);

B. U.S. Government Accountability Office 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](#).

020702. 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 of this volume**. 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.

020703. 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. Review the imprest fund’s activities no less frequently than quarterly to determine its continuing need and if the amount of the fund exceeds actual needs based on the average monthly expenditures. Conduct this review as part of the quarterly cash verification prescribed in [Chapter 3](#) of this volume. 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).

020704. Advancing Funds to Imprest Fund Cashiers. The DO serving the activity to which the imprest fund cashier is attached advances funds to establish an imprest fund. The appointing authority furnishes the DO with a signed copy of the document appointing the imprest fund cashier and a copy of the approval to establish the fund. Document the advance as prescribed in Chapter 3 of this volume. 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.

020705. Safeguarding Imprest Funds. Safeguard cash and disbursement documents properly at all times (e.g., safes, locked cash drawers) as prescribed in Chapter 3 of this volume. Do not commingle imprest funds with other cash funds (e.g., disbursing funds, change funds, or cash receipts for other funds). 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 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.

020706. Uses of Imprest Funds

A. General. Each authorized imprest fund must be under the sole custody of one individual serving as the principal cashier (i.e., any officer, enlisted person, or civilian employee who is not responsible for originating, approving and processing requirements). An alternate imprest fund cashier may be appointed with the same requirements as the principal cashier, but the alternate may act only in the absence of the principal. Both principal and alternate are responsible financially to the DO who advanced the fund. Operate each fund on an imprest (i.e., constant) basis. The DO replenishes an imprest fund cashier for the exact amount

of disbursements properly made and documented. 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 conventional purchasing techniques and procedures. Submit exceptions or waiver requests to these limitations as prescribed in Chapter 1 of this volume. Keep copies of approvals of such requests for audit review.

B. Conditions for Use. Imprest funds may be used for small purchases under the following conditions:

1. A transaction may not exceed \$500. During contingency operations as specified by the JCS, the designated area commander may increase the limitations on imprest fund transactions to \$3,000.

2. The use of the imprest fund is considered to be advantageous to the government.

3. Supplies or services are available for delivery within 60 days either at the contractor's place of business or at destination.

4. The purchase does not require detailed technical specifications or technical inspection.

C. Other Uses. Imprest funds may also be used for:

1. 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.

2. Payments to civilian volunteers participating in approved medical research projects.

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

a. Travel advances when no DO is available in the immediate area to make payment and using the government travel card is impractical.

b. 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.

c. Transportation charges (not related to purchases).

- d. Money orders required to:
 - (1) Transmit collections for deposit.
 - (2) Make an approved one-time purchase of books or periodicals.
 - (3) Purchase catalog type items.
 - (4) Pay interlibrary loan fees for professional books.
- e. Postage stamps.
- f. Transportation passes or tokens.

D. Prohibited Uses. Imprest funds may not be used for:

- 1. Paying salaries and wages.
- 2. Travel or any other advances, except as authorized.
- 3. Paying travel claims (except for claims for local travel not under orders) when a DO is not available in the immediate area to make authorized payments.
- 4. Paying public utility bills.
- 5. Cashing checks or other negotiable instruments.
- 6. Purchasing from contractors or contractors' agents who are military personnel or civilian employees of the government.
- 7. Purchasing foreign items unless the applicable decisions of exception and documentation are made prior to procurement.
- 8. Repetitive purchases from the same contractor when another method of purchase (e.g., a blanket purchase agreement) would be more appropriate.
- 9. Paying spot awards.

020707. 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 a purchase order 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 be required.

B. Receipt of Material. A designated receiving activity accepts delivery of all material purchased using an imprest fund. 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 are permissible for the material to be picked up. 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 subparagraph. 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 subparagraph 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.

NOTE: If there are alterations or corrections to documents tendered for payment, the person making the changes initials them. The person receiving payment initials changes in the amount paid.

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 for cash payment of \$15 or less is not present, 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 at any location may accept a signed C.O.D. receipt to support the subvoucher if the carrier refuses to sign a government form. Number each subvoucher, after settlement, consecutively beginning with "1" each fiscal year, and place this number on the original paid receipt. These subvouchers support the cashier's claim for replenishment of 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 initiates 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. When presented an authorized document and the required certification of receipt for supplies or services, the imprest fund cashier or other authorized individual pays the supplier or supplier's agent. Payments must be supported by the required certifications.

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. When a blanket purchase agreement is not suitable, periodic payments from an imprest fund 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 020903 of this chapter.

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.

5. Money Orders. Cashiers may purchase money orders using imprest funds when necessary to:

- a. Transmit collections for deposit;
- b. Deposit part of the fund when the fund is to be reduced or liquidated; or
- c. Make approved cost-effective mail order purchases for single acquisitions of reference manuals, publications or pamphlets, catalog type items, and fees for the interlibrary loan of professional books. Do not use this procedure to circumvent controls on the procurement of periodic subscriptions.

NOTE: In implementing this authority, DoD Components establish and maintain internal controls that include attaching a legible copy of the money order (showing purchasing activity, payee and amount) 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.

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 often than monthly. See Chapter 19 of this volume.

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 a 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 of this volume. Chapter 6 of this volume provides for the reporting of discrepancies and investigations, as appropriate.

020708. 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. Establish such an account only after approval by the OUSD(C); see Chapter 1 of this volume for the appropriate address. 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 CFR, 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 to the account are official funds of the U.S. Government and are in no way subject to claim by a surviving relative of any individual who is designated to sign on the account.

D. Only the imprest fund cashier may make withdrawals, by checks made payable 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 any interest earned from such accounts to the applicable DoD Component's miscellaneous receipt account.

F. Maintain 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 pays service charges or other fees related to the account, or for cashing U.S. Treasury checks, charging applicable operating funds.

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

H. Do 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 depositary demand account monthly using an [SF 1149](#) (Statement of Designated Depositary 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 [I TFM, Part 4, Chapter 8000](#) and [Chapter 14](#) of this volume regarding reconciliation, audit trails, verification, and accountability.

020709. Requests for Deviation. Submit requests for deviations to the imprest fund policies and procedures prescribed in this section in [accordance with Chapter 1 of this volume](#). 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 depositary accounts or to support use of third party payment drafts.

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

SIGNATURE CARD

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 2-1. FMS Form 5583, Signature Card

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.

(Date) (Signature)

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

SPECIMEN SIGNATURES

SPECIMEN SIGNATURES

[Empty signature box]

FMS FORM 3023 FORMERLY TFS FORM 3023
2-91 (4-87) WHICH MAY BE USED

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

Figure 2-2. FMS Form 3023, Specimen Signatures

STANDARD FORM 1219 Revised April 1982 Department of the Treasury 1-TFM 2-3100		STATEMENT OF ACCOUNTABILITY	
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 19XX THROUGH 30 NOV 19XX		AGENCY LOCATION CODE (ALC) (Show main check symbol number)	
SECTION I. - GENERAL STATEMENT OF ACCOUNT			
PART A. - TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY			
1.00	TOTAL ACCOUNTABILITY	BEGINNING OF	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
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
PART B. - ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY			
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
PART C. - ANALYSIS OF PREDECESSOR OFFICERS' ACCOUNTABILITY			
9.2	RECEIVABLES - CHECK OVERDRAFTS		
9.3	LOSSES OF FUNDS		
9.4	OTHER ACCOUNTABILITY		
10.0	TOTAL PREDECESSOR OFFICERS		0.00
11.0	TOTAL DISBURSING OFFICER ACCOUNTABILITY (Same as line 5.00 above)		7,500.00
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. John A. Hancock, LTJG, SC, USN I certify that this is a true and correct statement of accountability for the period stated at the office referred to above.			
NAME AND TELEPHONE NUMBER OF CONTACT FINAL 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 2-3a. SF 1219, Statement of Accountability (Final Upon Relief)

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	AMOUNT OF THIS	ADJUSTMENTS FOR PRIOR MONTH'S ISSUES (+ or -)				TOTAL CHECKS (Columns 2 + 3 and 4)
		BY TFS FORM		OTHER		
		ISSUE (Month and	AMOUNT	ISSUE (Month and	AMOUNT	
(1)	(2)	(3)		(4)		(5)
	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	DEPOSITS OR MAILED TO BANK THIS	DEPOSITS PRESENTED OR MAILED TO BANK IN PRIOR MONTHS BUT RECORDED IN ACCOUNTS THIS MONTH		TOTAL DEPOSITS PRESENTED OR TO BANK ^ (Column 2 + 4)		
		MONTH MAILED TO	AMOUNT			
(1)	(2)	(3)		(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.						

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