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CHAPTER 4

CHECK CASHING SERVICE (ACCOMMODATION EXCHANGE)0401 EXCHANGE OF CASH FOR NEGOTIABLE INSTRUMENTS040101. Policy

A. General. As provided in 31 U.S.C. 3342 (reference (e)), DOs are authorized to provide check cashing and accommodation exchange service to military and civilian personnel of the U.S. Government, veterans hospitalized or domiciled in Veteran Administration facilities or other U.S. Government institutions, contractors engaged in U.S. Government projects (including contractor personnel), and personnel of authorized non-governmental agencies operating with agencies of the United States. It is DoD policy that these services shall be provided only when satisfactory banking facilities do not exist.

B. United States. If commercial banks, on-base banking facilities, exchanges, or other financial institutions are not available to provide check-cashing service, the commander may request the Deputy Director for Finance, DFAS Headquarters, to authorize the DO to cash the negotiable instruments listed in paragraph 040102 of this section. Such a request, with complete justification, should be submitted through the Director, Procedures and Guidance Division, Disbursing and Cash Management Office, 1500 E. 95th Street, Kansas City, MO 64197-0030, via the servicing DFAS Center. If approved, the provisions of section 0402, below, will apply. Only the individuals listed in paragraph 040104, below are eligible to receive check-cashing service.

C. Overseas Areas and Ships Afloat. If military banking facilities, commercial banks, exchanges, or other financial institutions are not available or adequate to provide check-cashing service, the commander may authorize the DO to cash the negotiable instruments listed in paragraph 040102 of this section. Only the individuals listed in paragraph 040104 of this section are eligible to receive check-cashing service provided that:

1. The DO's check cashing policy is in writing and approved by the theater component commander. It shall identify specifically the scope of the services to be provided and the personnel eligible to receive this service.

2. Adequate resources are available to provide these services without impacting on levels of service and the primary disbursing and pay functions.

3. The DO has the right to deny check cashing privileges to anyone based on availability of cash or personnel resources. The component commander's written authorization shall emphasize this right.

★ 040102. Negotiable Instruments. The negotiable instruments that a DO may be authorized to cash are: U.S. Treasury checks; U.S. postal money orders; traveler's checks; bank money orders; certified and cashier's checks drawn on U.S. banks; checks from reputable companies; and other checks and instruments drawn on U.S. banks or credit unions in U.S. currency, that the DO can justify honoring (i.e., guaranteed by the government or a financial institution).

040103. Eligibility. Eligibility for check-cashing services normally shall extend to all personnel permanently assigned to units in the area served by the DO. Units desiring personal check-cashing privileges from DOs of another activity or Component shall designate a point-of-contact (POC) to work with the DO. The DO may require the POC to furnish a list of personnel on TDY/TAD when approved by the DO's commander. TDY/TAD personnel shall furnish the DO with a copy of the TDY/TAD orders in addition to any other items of identification required by the DO. An authorized agent, usually a dependent, who is authorized pursuant to a properly executed power of attorney, may be granted check-cashing privileges for personal checks drawn on the account of the member, personal checks drawn on joint accounts to which the member is a party, and any other check which is drawn in favor of the member. The agent shall present valid identification in the course of all transactions. All restrictions which apply to benefiting members shall apply to agents of members under the terms of the executed DD Form 2761 (Personal Check Cashing Agreement), which serves as a power of attorney. This form may be obtained from the servicing DFAS Center for local reproduction.

040104. Eligible Individuals. Individuals who may be authorized to receive check cashing services are as follows:

- A. Members of the U.S. Armed Forces.
- B. Civilian employees of the U.S. Government who are U.S. citizens.
- C. U.S. military retirees. This authorization is contingent upon the requirement that the theater commander determines that provision of these services is not prohibited by the Status of Forces Agreement (SOFA) of the country involved and that other check cashing facilities (banks, exchanges, etc.) are not available or adequate.
- D. Hospitalized veterans of the U.S. Armed Forces.
- E. Contractors and their employees engaged in U.S. Government projects provided that the contractor is a U.S. firm and the employee is a U.S. citizen.
- F. U.S. citizens who are employees of authorized non-government agencies such as the National Science Foundation operating with U.S. Government agencies.
- G. Dependents of all the above ordered to safehaven posts due to emergency evacuation. See Chapter 12, subparagraph 120304.F, for accommodation restrictions.

H. Dependents of the personnel named in subparagraphs 040104.A through 040104.C, above, holding powers of attorney and possessing valid DoD identification cards.

I. Dependents of the personnel named in subparagraphs 040104.D through 040104.F, above, holding proper identification and powers of attorney.

J. Third-country nationals employed as civilian employees or under contract to the U.S. Government, or contractors or subcontractors that are U.S. firms engaged in U.S. Government projects in foreign countries, provided the checks presented by the third-country nationals are U.S. Treasury dollar checks or U.S. dollar checks issued by the contractors to third-country nationals presenting the check to be cashed.

K. Federal credit unions operating on United States military installations in foreign countries, but only in those countries that do not permit contractor-operated DoD military banking facilities to operate on such installations.

040105. Internal Controls. Commanders and other individuals in the chain of command shall ensure that internal controls are adequate to preclude the fraudulent issuance and cashing of negotiable instruments. At a minimum, the following procedures shall be followed:

A. All instruments are endorsed "Pay to the order of the Disbursing Officer, _____ (name of ship, station, activity, or unit)".

★ B. The payee/payees shall sign or endorse each instrument in the presence of the DO, deputy, agent, or cashier.

C. The identity of the deputy, agent, or cashier providing the cash shall be clearly identifiable on the negotiated instrument. In the event that the instrument has been altered or forged, the deputy, agent, or cashier that cashed the instrument may be held liable. If the instrument becomes non-negotiable and the identity of the deputy, agent, or cashier cashing the instrument is not apparent on the instrument, the DO may be held accountable.

★ D. The deputy, agent, or cashier cashing the negotiable instrument shall properly verify the identity of the person/persons presenting the negotiable instrument for payment. There are virtually no acceptable grounds for granting relief to an deputy, agent, or cashier who cashes a forged instrument.

★ E. Adequate identification of the payee(s) or endorser(s) is recorded on the negotiable instrument in order that recovery can be made in the event that the instrument is dishonored (e.g., legible name, SSN, duty station/organization, duty phone, and I.D. card number).

0402 CASHING PERSONAL CHECKS

040201. Procedures for Cashing Personal Checks Overseas, Aboard Ships, and, by Exception, Within the United States

A. General. If military banking facilities, commercial banks, exchanges, or other financial institutions are not available or adequate to provide check-cashing services, the theater commander may authorize the DO to cash personal checks overseas or afloat. These DOs often do not receive notification of dishonored checks prior to the individuals moving from the deployed location. In order to expedite collection on dishonored checks, standard overseas and afloat check-cashing procedures applicable to appropriated fund civilians and military personnel throughout overseas and afloat DoD Components are prescribed in this chapter. Overseas and afloat disbursing offices, all appropriated civilian payroll offices, and, when individually approved by DFAS Headquarters, all DOs within the United States that provide accommodation exchange check-cashing services must implement these procedures subject to the following:

1. A commander may authorize the DO to cash personal checks for certain authorized individuals, as prescribed in section 0401, above.

2. The term "commander" as used in these procedures refers to a commander-in-chief, base or installation commander, commanding officer or officer-in-charge, director of the servicing DFAS Center, or equivalent civilian head in the chain of command of the DO who is at least grade O6 or GS-15.

3. The commanders and other individuals in the chain of command shall ensure that internal controls are adequate to preclude the fraudulent cashing of negotiable instruments.

B. Exceptions. DOs of Navy vessels may cash personal checks for crew members when the vessel is in a U.S. port and check cashing facilities are not available for non-residents of the area. A non-tactical disbursing activity in the United States may provide check cashing service when a unit, squadron, or detachment, without a DO or disbursing capability, is performing temporary duty away from its permanent station or homeport in an area where check cashing facilities are not available for non-residents of the area. This authority also applies when units, squadrons, or detachments are engaged in training or exercises which preclude use of available check cashing facilities. For any situations not described above, the commander may request authority to provide check cashing service from the Deputy Director for Finance, DFAS Headquarters. The request, with complete justification, should be submitted as prescribed in paragraph 040101.B, above.

★ C. Limitations. Commanders shall establish maximum amounts for personal checks that may be cashed by authorized personnel and/or their agents. In overseas areas in which the personnel at two or more Military Services are operating, the senior commander shall ensure a uniform policy. Although check cashing privileges are required for authorized personnel and/or their agents in many overseas areas, such service must be provided within sound financial management practices. Command policy and applicable limits, based on the dictates of the local economy and cost-of-living, must be published in writing. Deviations from

established command maximum limits must be provided by the servicing DO, in writing, for each exception. Disbursing officers must provide a copy of the authorization to exceed the established limit when requesting removal of deficiencies involving uncollectible insufficient fund checks and any insufficient fund charges that may be assessed by financial institutions for personal checks they have cashed. See section 0404, below. Checks shall be made payable in multiples of \$5 unless local conditions make that increment impractical. However, Treasury checks or checks issued by insurance companies, banks or credit unions, or other institutions of similar financial standing may be cashed without regard to dollar amount. All checks shall be drawn on U.S. financial institutions, overseas branches of U.S. banks or credit unions, or overseas military banking facilities operated by U.S. contractors; shall be payable through U.S. banks or credit unions; and shall be denominated and payable in U.S. currency. The DO shall establish the days and hours during which the service will be provided and shall make appropriate notification of any changes. Suspension of check-cashing privileges for writers of dishonored checks shall be governed by this section.

D. Check Cashing Procedures

1. All authorized military and appropriated fund civilian personnel who request check cashing privileges must consent, in writing, to immediate collection against their pay for the total of all dishonored checks. With this procedure, dishonored checks will not become a delinquent debt; therefore, there is no authority to assess a service charge (penalty). However, the recovery of any insufficient fund charges assessed on the DO by financial institutions are allowed. Depending on the circumstances, this practice will allow the DO two options:

a. OPTION 1: The DD Form 2761 (Personal Check Cashing Agreement)

(1) If the individual's payroll office is not known or if the DO or his/her deputies, agents, or cashiers are cashing a check for a civilian employee or an authorized agent of a civilian employee or military member, the DO should use the DD Form 2761.

(2) The term "authorized agent" as used on the DD Form 2761 pertains to an individual, usually a dependent, who is authorized pursuant to a power of attorney to cash personal checks on behalf of a member or civilian employee as prescribed in this chapter.

(3) With the proper use of this form, a separate power of attorney on behalf of the individual requesting check cashing service is not required. The member/employee must appoint an agent by providing a name(s) in the block titled "Authorized Agent" of the DD Form 2761. The form must be signed by the member/employee. The agent's signature would be verified against a valid form of identification at the time the check is presented.

b. OPTION 2. An authorized statement stamped on the front of the personal check may be used only for military members and civilian appropriated fund employees, but not for their agents or other classes of individuals authorized check-cashing privileges.

(1) If the individual's payroll office is known, the DO can order a rubber stamp in small type to be placed on the front of the check along the top margin or above the bank's name and address as shown in figure 4-1.

★ (2) The stamp shall include the following statement:

"I consent to immediate collection from my pay the amount of this check plus bank charges, if this check is dishonored _____."

(3) The DO or his/her deputies, agents, or cashiers must place this statement on the front of the check in the presence of the individual and must ensure the individual's initials are provided at the end of the statement to validate immediate collection from the individual's pay account for dishonored personal checks.

(4) If the stamp is used, adequate identification of the payee must be recorded on the negotiable instrument in order that recovery can be made in the event that the instrument is dishonored (e.g., full legible name, DoD Component, social security number, duty station/organization, duty phone, and I.D. number). This information must be verified against a valid identification card.

2. The following are the responsibilities of disbursing officers and their deputies, agents, and/or cashiers when pay account collection for dishonored personal checks becomes necessary:

a. When a military member is in the same component and the DO maintains the member's account:

(1) Immediate pay account checkage, is authorized for the face value of the dishonored check(s), plus any charges assessed against the DO by a financial institution for processing dishonored checks.

(2) As a part of the DFAS consolidation effort, "partial/casual payments" are limited to emergency situations. Therefore, DO's shall not use "partial/casual payments" as a means of resolving a dishonored check.

b. When a military member is from a different Military Service, or from the same Component but subparagraph 040201.D.2.a, above, does not apply (e.g., retirees, members on PCS orders, TDY, or in any other transitory status) the following procedures will be applied:

(1) When the DD Form 2761 is used. The DO must make copies of the form (front and back), certify on the reverse side of the form that the individual consented to voluntary collection, and send it to the appropriate supporting DFAS Center, as listed in subparagraph 040201.E, below, to effect the pay account checkage and make restitution to the negotiating DO. The payroll office should annotate the reverse side of the DD Form 2761 specifying the action taken for each dishonored check listed.

(2) When the stamp is used on the face of a check, the DO will prepare the DD Form 139 (Pay Adjustment Authorization) by Component as follows:

(a) Attach a listing showing each military member's name, DoD Component, social security number, unit or duty station, and check amount(s), along with copies of the checks (front and back). In cases where the depository adds a fee to the amount of the dishonored check, a copy of the SF Form 5515 should be included to substantiate its inclusion in the total amount of the checkage. Send all to the appropriate supporting DFAS Center, at the mailing address provided in subparagraph 040201.E, below, for execution of a pay account deduction.

(b) Certify that the military members consented to voluntary collection by typing the following certification statement on the DD Form 139 in the block titled "Explanation and/or Reason for Adjustment":

"I certify that these collections are the result of dishonored personal checks cashed by the cited individuals for the amounts stated. Each individual has consented, in writing, that in consideration for cashing the individual's personal check(s), the amount of any check returned unpaid, plus any charges assessed against the DO by a financial institution, for any reason may be collected from the individual's pay."

c. Dishonored personal checks for authorized appropriated fund civilian employees whose payroll office is known will be processed as follows:

(1) Immediate pay account checkages are authorized for the face value of dishonored checks plus any charges assessed against the DO by financial institutions.

(2) The DO must make copies of the DD Form 2761 (front and back), certify on the reverse side of the form that the individual consented to voluntary collection, and send the form, along with copies (front and back) of the checks. In cases where the depository adds a fee to the amount of the dishonored check, a copy of the SF Form 5515 should be attached to substantiate its inclusion in the amount of the pay account checkage. Send all to the appropriate supporting DFAS Center payroll office listed in subparagraph 040201.E, below, for pay account checkage(s).

d. Dishonored personal checks for authorized appropriated fund civilian employees whose payroll office is unknown:

(1) If the DO or his/her deputies, agents, or cashiers cannot locate the individual's payroll office, a copy of the DD Form 2761 (front and back) must be sent to their supporting DFAS Center listed in paragraph 040201.E, below, requesting the Center to facsimile (FAX) the individual's name and social security number to the Defense Manpower Data Center to locate the individual's personnel office.

(2) When the supporting DFAS Center receives a copy of the DD Form 2761 (front and back) requesting assistance in locating the individual and/or payroll office, that DFAS Center will be responsible for the following:

(a) If known, provide the DO the name, address, and phone number of the individual's payroll office.

(b) If the individual's payroll office is not known, FAX the individual's name and social security number to the Defense Manpower Data Center on (408) 656-2087 requesting the location of the individual's personnel office.

(c) Once the location of the individual's personnel office is known, the DFAS Center will forward the information to the DO for action.

(d) The DO will contact the personnel office to locate the individual's payroll office.

(e) Once the payroll office is known, the DO will follow the procedures prescribed in subparagraph 040201.D.2.c.(2), above.

3. When collection action becomes necessary and the payroll office receives the DD Form 139 or DD Form 2761 from the DO, the payroll office will be responsible for the following:

a. Processing the pay account checkage following normal payroll procedures.

b. When possible, the payroll office should include a statement similar to the following in the remarks column of the leave and earnings statement (LES):

"Consensual collection action for a dishonored check."

c. The DD Form 139 or DD Form 2761 will be annotated by the applicable payroll office with the action taken for the dishonored check(s) and returned to the submitting DO to support the SF 1219 (Statement of Accountability).

d. The applicable DFAS Center/payroll office will enter the collections and centrally issue checks, after the debt has been collected, payable to the DO holding the dishonored check(s) for the amount(s) that has been collected each pay period until the total debt is satisfied.

Note: The DoD activity receiving the check shall ensure that the check is made payable and forwarded to the DO holding the dishonored check(s). The payment must be made in full. A check is necessary to remove the dishonored check(s) from the DO's SF 1219 for the situations described in this procedure.

4. When a military member or civilian employee is separated or cannot be located to make restitution (e.g., when a military member or civilian employee separates or resigns), the DO will process dishonored checks following the procedures otherwise prescribed in this chapter.

5. The writing of checks in advance of the availability of funds and floating a check cannot be condoned or tolerated. Therefore, individuals who abuse this privilege by continuing to write checks against insufficient funds should be denied future check-cashing privileges.

6. Retention of Documents

a. For all honored checks, the DO that permits personnel to cash personal checks must retain the original signed DD Form 2761 until six months after the individual transfers to a new duty station/installation or separates.

b. For all dishonored checks, the original DD Form 2761 must stay with the dishonored check file until resolved. If the statement above is stamped on the front of the check and the check is dishonored, the DO or his/her deputies, agents, or cashiers must make a copy of the front and back of the check that must stay with the dishonored check file until resolved.

E. DFAS Center Payroll Office Addresses. The DFAS Center Payroll Office addresses listed below are provided to help expedite collection on dishonored checks. These addresses are to be used when mailing DD Forms 139 and the DD Forms 2761 when used as a pay adjustment authorization. The DO should use the following addresses when mailing these forms to another DoD Component payroll office and the DO should ensure that the office codes provided are included in the address:

1. DFAS-Cleveland Center (For Navy personnel)

a. Active Duty

Defense Finance and Accounting Service -
Cleveland Center

(ATTN: DFAS-CL/FD)
1240 East Ninth Street
Cleveland, OH 44199-2055

b. Retirees

Defense Finance and Accounting Service -
Cleveland Center
ATTN: DFAS-CL/ROA
Retired Pay
P.O. Box 99191
Cleveland, OH 44199-1126

c. Reserve Component

Defense Finance and Accounting Service -
Cleveland Center
ATTN: DFAS-CL/FDAD
1240 East Ninth Street
Cleveland, OH 44199-2055

d. Navy Civilian Employees

Defense Finance and Accounting Service -
Denver Center
ATTN: DFAS-DE/FNT
6760 E. Irvington Place
Denver, CO 80279-4000

2. DFAS-Columbus Center (For DFAS and DLA Civilian Employees)

Defense Finance and Accounting Service -
Columbus Center
ATTN: DFAS-CO/LA
P.O. Box 369017
Columbus, OH 43236-9017

3. DFAS-Denver Center (For Air Force Personnel)

a. Active Duty and Reserve Component

Defense Finance and Accounting Service -
Denver Center
ATTN: DFAS-DE/FJ
6760 E. Irvington Place
Denver, CO 80279-3000

b. Retirees

Defense Finance and Accounting Service -
Cleveland Center
ATTN: DFAS-CL/ROA
P.O. Box 99191
Cleveland, OH 44199-1126

c. Civilian Employees

Defense Finance and Accounting Service -
Denver Center
ATTN: DFAS-DE/FN
Denver, CO 80279-4000

4. DFAS-Indianapolis Center (For Army Personnel)

a. Active Duty

Defense Finance and Accounting Service -
Indianapolis Center
ATTN: DFAS-IN/FJEA
8899 E. 56th Street
Indianapolis, IN 46249-0801

b. Retirees

Defense Finance and Accounting Service -
Cleveland Center
ATTN: DFAS-CL/ROA
P.O. Box 99191
Cleveland, OH 44199-1126

c. Reserve Component

Defense Finance and Accounting Service -
Indianapolis Center
ATTN: DFAS-IN/FJEB

8899 E. 56th Street
Indianapolis, IN 46249-0801

d. Army Civilian Employees

Defense Finance and Accounting Service -
Indianapolis Center
ATTN: DFAS-IN/FA
8899 E. 56th Street
Indianapolis, IN 46249

5. DFAS-Kansas City Center (For Marine Corps Personnel)

a. Active Duty

Defense Finance and Accounting Service -
Kansas City Center
ATTN: DFAS-KC/FBL
1500 E. 95th Street
Kansas City, MO 64197-0001

b. Retirees

Defense Finance and Accounting Service -
Cleveland Center
ATTN: DFAS-CL/ROA
P.O. Box 99191
Cleveland, OH 44199-1126

c. Reserve Component

Defense Finance and Accounting Service -
Kansas City Center
ATTN: DFAS-KC/FJV
1500 E. 95th Street
Kansas City, MO 64197-0001

d. Marine Corps Civilian Employees

Defense Finance and Accounting Service -
Denver Center
ATTN: DFAS-DE/FNT
6760 E. Irvington Place
Denver, CO 80279-4000

6. U.S. Coast Guard Active Duty, Reservist, and Retirees

Commanding Officer (F)
U.S. Coast Guard Pay and Personnel Center
444 S.E. Quincy Street
Topeka, KS 66683-3591

★0403 ACCOUNTABILITY OF DISHONORED CHECKS

★ 040301. General. A loss resulting from an uncollectible dishonored check may be considered as an improper payment or a physical loss of funds, depending on the circumstances as described in the following paragraphs.

★ 040302. Checks Accepted in Satisfaction of an Obligation. Checks accepted in satisfaction of an obligation due the United States (rather than for collection only), or for the sale or transfer of something of value that later are returned unpaid by the depository constitute a physical loss of funds. See Comp. Gen. B-201672/3, B-200520, B-193673, September 23, 1982. Such dishonored checks shall be processed as prescribed in this paragraph. For checks received from collecting officers (e.g., commissary officer or sales officer), the DO shall prepare a reverse collection voucher charging the appropriation credited for the collection. Record the SF 5515 on the DD Form 2657 (Daily Statement of Accountability) as a reduction of deposits (line 4.2A) and the reverse collection voucher as a reduction of reimbursements (line 4.1E). A copy of the voucher and the dishonored check shall be provided to the collecting officer. Upon receipt, the collecting officer shall consider the dishonored check as a physical loss of funds in accordance with the regulations of the sales organization (e.g., commissary) if the dishonored check becomes uncollectible. The collecting officer is responsible for collection of the debt under the provisions of Chapter 29 of this volume or requesting relief of liability as prescribed in the regulations of the sales organization.

★ 040303. Checks Received as Accommodation Exchange Transactions. A loss from an authorized check cashing transaction, such as the "accommodation exchanges" authorized by 31 U.S.C. 3342, is an improper payment because government funds were disbursed in an authorized transaction. See 70 Comp. Gen. 616 (1991). Checks received by a DO in an accommodation exchange transaction that later are returned unpaid by the depository shall be processed as prescribed in section 0402, above. The SF 5515 is recorded on the DD Form 2657 as a decrease to deposits (line 4.2A) and as an increase to dishonored checks receivable (line 7.4). For checks accepted by the disbursing office in satisfaction of an obligation due the government (i.e., the disbursing officer is the collecting officer for items such as an overadvance of travel funds, instead of an exchange), the dishonored check shall be considered as an illegal, incorrect, or improper payment if it becomes uncollectible. If a dishonored check becomes uncollectible and the servicing DFAS Center declines to authorize removal of the deficiency as provided in the following section, the disbursing officer shall report the loss and request relief of liability for the loss as prescribed in Chapter 6 of this volume for illegal, incorrect, or improper payments.

0404 REMOVAL OF DEFICIENCIES

★ 040401. Request for Removal. Appropriate collection action shall start immediately on receipt of notification that a check has been dishonored and shall be pursued vigorously until recovery has been made. If the debtor is no longer employed or in the military service and all methods and attempts of collection have been exhausted and any further attempts at collection become impractical, the DO shall submit a written request for removal of the deficiency to the servicing DFAS Center. The request shall be addressed via the DO's commander and shall include: the original uncollectible check; a copy of the related SF 5515; copies of the documents presented in section 0402, above, to include the latest available information regarding the debtor's whereabouts; a copy of the commander's check cashing policy/authority and, if applicable, a copy of the one-time authority to exceed the commander's normal monetary check amount; and a request that the DFAS Center pursue collection action against the delinquent debtor to the fullest extent that the law will allow. Removal normally will be authorized under 31 U.S.C. 3342 (reference (e)) and 70 Comptroller General Decision 616 (reference (r)) if the DO complied with the check-cashing policy and collection requirements prescribed in this chapter. If the DFAS Center authorizes removal of the deficiency, that center shall provide a memorandum to the requesting DO authorizing a charge to ***6763.XXXX, Gains and Deficiencies on Exchange Transactions. DOs shall provide a copy of the memorandum to the activity to which financial reports are submitted. The DFAS Center shall continue attempts to recover the debt, and if successful, will arrange for credit to the appropriation charged when the deficiency was removed. Removal of the deficiency can only be authorized and charged to ***6763.XXXX, Gains and Deficiencies on Exchange Transactions within the same fiscal year in which the check became dishonored. The request must be submitted so that the DFAS Center has enough time remaining in the fiscal year to authorize removal and charge to ***6763.XXXX. For example, if the DO receives a debit voucher for a dishonored check on September 10, 1997, there will not be enough time to pursue required collection actions and request removal of the deficiency prior to October 1, 1997 (beginning of the new fiscal year). If the DFAS Center declines to authorize removal of the deficiency or there is not enough time remaining in the fiscal year to authorize removal, it cannot be charged to ***6763.XXXX. The deficiency must be treated as an erroneous payment. The DO shall then either repay the loss or request relief of liability under the procedures for relief of liability for illegal, improper, or incorrect payments as prescribed in Chapter 6 of this volume.

040402. Lost Dishonored Check. If a dishonored check held in the disbursing office becomes lost, it shall be considered and handled as a physical loss of funds.

040403. Forgeries and Other Unusual Cases. If investigative action does not determine the identity of the person who committed the forgery, or if recovery from this person cannot be accomplished, the DO, deputy, agent, or cashier who cashed the instrument shall be liable for the deficit. There is virtually no excuse for forgery to take place if the check-cashing procedures in this chapter are properly followed. However, if the DO, deputy, agent, or cashier is of the opinion that the circumstances justify relief of liability for the illegal, improper, or incorrect payment, a memorandum requesting relief of the liability may be submitted to the servicing DFAS Center. The request shall include a summary or a copy of the investigative

results and shall describe the procedures used to preclude forgery. Each endorser to the basic correspondence shall express a recommendation as to whether relief of liability is considered appropriate.

JAMES A. HANCOCK 123-45-6789 4620
MARY S. HANCOCK 234-56-7890
4567 ASSUMED DRIVE (703) 345-6789
ALEXANDRIA, VA 22310

68-7497
2560

_____ 19 _____

PAY TO THE ORDER OF _____ \$ _____

DOLLARS

NAVY FEDERAL CREDIT UNION
VIENNA, VIRGINIA

I CONSENT TO IMMEDIATE COLLECTION FROM MY PAY THE AMOUNT OF THIS CHECK PLUS BANK CHARGES, IF THIS CHECK IS DISHONORED ____

FOR _____ SAMPLE - NON-NEGOTIABLE

|: 256074974:| 4620:::3333333333||:001

JAMES A. HANCOCK 123-45-6789 4620
MARY S. HANCOCK 234-56-7890
4567 ASSUMED DRIVE (703) 345-6789
ALEXANDRIA, VA 22310

68-7497
2560

_____ 19 _____

PAY TO THE ORDER OF _____ \$ _____

DOLLARS

NAVY FEDERAL CREDIT UNION
VIENNA, VIRGINIA

I CONSENT TO IMMEDIATE COLLECTION FROM MY PAY THE AMOUNT OF THIS CHECK PLUS BANK CHARGES, IF THIS CHECK IS DISHONORED__

FOR _____ SAMPLE - NON-NEGOTIABLE

|: 256074974:| 4620:::3333333333||:001

Figure 4-1. Samples of Check Endorsements Consenting to Pay Account Collections for Dishonored Check Charges

PERSONAL CHECK CASHING AGREEMENT		<i>Form Approved OMB No. 0730-0005 Expires Oct 31, 2000</i>
<p>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Service, Directorate for Information Operations and Reports (0730-0005), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> <p>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS. RETURN COMPLETED FORM TO THE ADDRESS OF THE AGENCY WHICH PROVIDED THIS FORM.</p>		
PRIVACY ACT STATEMENT		
AUTHORITY:	31 U.S.C. 3342, E.O. 9397, and DoD "Financial Management Regulation", Volume 5, Chapter 04.	
PRINCIPAL PURPOSES:	This form is designed exclusively to help overseas and afloat DoD disbursing activities expedite the collection process of dishonored checks overseas and afloat.	
ROUTINE USES:	None.	
DISCLOSURE:	Voluntary; however, failure to provide the requested information will result in refusal to cash personal checks.	
PLEASE PRINT OR TYPE ALL INFORMATION		
1. NAME (Last, First, Middle)		2. SOCIAL SECURITY NUMBER
Joyce M. Jones		456-00-8901
3. ORGANIZATION/LOCATION		4. RANK/GRADE
USS Abraham Lincoln		E-4
		5. DUTY TELEPHONE NUMBER <i>(Include Area Code)</i>
		(123) 456-7890
6. BRANCH OF SERVICE	7. SUPERVISOR'S NAME (Last, First, Middle Initial)	8. SUPERVISOR'S TELEPHONE NUMBER <i>(Include Area Code)</i>
U.S. Navy	Lipps, Read M.	(123) 567-8901
9. HOME ADDRESS (Street, Apartment Number, City, State, ZIP Code)		
345 Mockingbird Lane Beautiful, MO 64999		
10. HOME TELEPHONE NUMBER <i>(Include Area Code)</i>	11. DRIVER'S LICENSE NUMBER	12. DRIVER'S LICENSE STATE
(123) 678-9012	A13-456	Missouri
POWER OF ATTORNEY		
<p>I desire to execute a power of attorney and I appoint and by these presents do make, constitute and appoint the below listed individual(s) my true and lawful attorney(s)-in-fact to draw, make endorse, and cash personal checks drawn upon my account which I may have as sole or joint owner. Any act performed hereunder for me or from my account shall be binding on me, my heirs, legal and personal representatives and assigns. Transactions under this authority shall be in my name and all endorsements and instruments executed by my attorney shall contain my name, followed by that of my attorney and the designation "Attorney-in-Fact".</p>		
13. AUTHORIZED AGENT		14. AUTHORIZED AGENT
15. AUTHORIZED AGENT		16. AUTHORIZED AGENT
<p>"In consideration of the extension of the privilege to have personal checks cashed by a Department of Defense finance/disbursing officer, I hereby freely and voluntarily consent to the immediate collection from my current pay, without prior notice or prior opportunity to be heard, the face value of any check cashed by myself or my authorized agents, plus any charges assessed against the government by a financial institution, in the event such instrument is dishonored and returned for insufficient funds or closed accounts."</p>		
17. REQUESTOR'S SIGNATURE		18. DATE

DD FORM 2761, OCT 1997

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Figure 4-2. Sample DD Form 2761 (Personal Check Cashing Agreement)

PAY ADJUSTMENT AUTHORIZATION		NOTE: If individual has been transferred, forward this authorization to the officer currently maintaining the individual's pay record.	
1. MEMBER/EMPLOYEE NAME (Last, First, Middle)	2. SSN	3. RANK/GRADE	4. BRANCH OF SERVICE
5. PAY GRADE NUMBER	6. AMOUNT	7. APPROPRIATION DATA	
8. FROM		9. NAME OF ACCOUNTABLE DISBURSING OFFICER (D.O.)	
		10. DO SYMBOL	11. G.A.O. EXCEPTION CODE
12. TO		13. YOU ARE HEREBY AUTHORIZED TO DEDUCT THE AMOUNT OF \$ _____ FROM THE ACCOUNT OF THE ABOVE NAMED INDIVIDUAL.	
14. EXPLANATION AND/OR REASON OR ADJUSTMENT			
<p>I CERTIFY that this collection is the result of dishonored personal checks cashed by the cited individual for the amounts stated. The individual has consented in writing, that in consideration for the cashing individual's check(s) the amount of any check returned for any reason, plus any charges assessed against the government by a financial institution, may be collected from the individual's pay.</p>			
15. FROM			
16. DISBURSING OFFICER			
a. NAME (Last, First, Middle Initial)	b. RANK/GRADE	c. SIGNATURE	
<p>I CERTIFY that the adjustment indicated above has been entered on the above-named individual's Pay Record. (If adjustment has not been entered, give explanation in the space provided above.)</p>			
17. TO	18. PAYROLL OFFICER		
	a. NAME (Last, First, Middle Initial) (Type or Print)	b. RANK/GRADE	
	19. PAYROLL DSSN	20. DATE	
21. SIGNATURE			

DD FORM 2761 (BACK), OCT 1997

Figure 4-2. Sample DD Form 2761 (Personal Check Cashing Agreement (Continued))