

**VOLUME 5, CHAPTER 9: “DISBURSEMENTS”****SUMMARY OF MAJOR CHANGES**

All changes are in **blue font**.

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

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

Hyperlinks are in **bold, italic, blue and underlined font**.

†The previous version dated September 2012 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	†As part of the Under Secretary of Defense (Comptroller) Volume 5 Streamlining Initiative, this revision incorporated the archived version of Chapter 11 (May 2012). The content of the archived version of Chapter 9 (September 2012) was incorporated into the new Chapter 7 (January 2015).	Revision
Title	Changed the Chapter title to “Disbursements.	Revision
Multiple	Updated administrative updates and hyperlinks.	Revision
Throughout	Replaced references to SFs 215 and 5515 (specific forms are no longer valid) with “deposit ticket” and “debit voucher,” respectively.	Revision
090101.B	Formerly section 0906.	Revision
090205.I	Added Code of Federal Regulations (CFR) basis for withholding payments.	Addition
0903	Replaced large-dollar-payment forecasting guidance (former section 1107) based on Volume I of the Treasury Financial Manual (TFM) (I TFM 4A-4020).	Revision
090402	Added DD Form 2659, Voucher Control Log information incorporated from Chapter 19 (Disbursing Officer Accountability Reports).	Addition
090404	Replaced DD Forms 2 (ACT) and 2 (RES) with the Common Access Card (CAC) as the acceptable means of identification to support the release of cash to a payee.	Revision
090410	Revised guidance on what comprises acceptable evidence of payment.	Revision
Former Figures 9-1 thru 9-5	Deleted; these forms are available via hyperlink, and are linked where appropriate.	Deletion

## Table of Contents

VOLUME 5, CHAPTER 9: “DISBURSEMENTS”	1
0901 GENERAL	4
090101. Overview	4
090102. Purpose	4
090103. Authoritative Guidance	4
0902 POLICY	5
090201. Legality and Propriety	5
090202. Substantiating Vouchers	5
090203. Payment of Expenses	5
090204. Advances, Prepayments, and/or Overpayments	5
090205. Payments to Third Parties	6
090206. Equitable Claims	7
090207. Insurance Fee	7
090208. Municipal Services	7
090209. Questionable Payments	7
090210. Certified Disbursement Vouchers	7
*0903 DISBURSEMENT FORECASTING	9
0904 PROCESSING DISBURSEMENT VOUCHERS	9
090401. Numbering Disbursement Vouchers	9
*090402. DoD (DD Form 2659 Voucher Control Log)	9
090403. Certification of Vouchers	9
*090404. Release of Cash	10
090405. Cash Payment Vouchers	10
090406. Check Disbursement Vouchers, Manual Voucher Processing	11
090407. Disbursements Overpaid or Underpaid by \$1 or Less	12
090408. Transmittal of Vouchers and Recording	12
090409. Certification Restrictions	12
*090410. Documentation Supporting Delivery of Payments	13
090411. Deferred Vouchers	13
090412. Classified Payments	13
090413. Payments from Contingency Funds	14
090414. Hand-Carrying Disbursement Vouchers	14
090415. Distribution of Paid Vouchers	14
090416. Electronic Fund Transfer (EFT) Payments	14
090417. Retention of Records	15
0905 DEPOSIT FUND AND BUDGET CLEARING ACCOUNTS	15
090501. Disposition of Funds in Deposit Fund Accounts	15
090502. Budget Clearing Account (Suspense), **F3875	16
090503. Overages	17
0906 PAYMENTS IN SUPPORT OF ADVANCE PAYMENT POOL AGREEMENTS	17

090601. General..... 17  
090602. Policy ..... 18  
Table 9-1. Disbursement Voucher “Paid By” Blocks ..... 19

## CHAPTER 9

DISBURSEMENTS

## 0901 GENERAL

## 090101. Overview

A. Disbursement. A disbursement is a payment to an individual or organization for goods furnished or services rendered. It may also be a transfer of funds from one appropriation or fund to another by a “no check drawn” transaction using a Standard Form (SF) 1080, Voucher for Transfers Between Appropriations and/or Funds; SF 1081, Voucher and Schedule of Withdrawals and Credits; or by the Department of the Treasury's (Treasury) Intra-governmental Payment and Collection (IPAC) System. A disbursement voucher may be a combination of a payment and collection by voucher deduction, e.g., a civilian payroll voucher where deductions for Federal tax, United States (U.S.) savings bonds, and civil service retirement are credited to the appropriate accounts and the net pay is disbursed to the payee. All disbursements must be supported by formal disbursement vouchers (e.g., SF 1080; SF 1081; SF 44, Purchase Order-Invoice-Voucher; or SF 1034, Public Voucher for Purchases and Services Other Than Personal). A negative disbursement is a refund. Disbursements of Foreign Military Sales funds require the request and receipt of expenditure authority before certification of a voucher for payment (see Chapter 5 and Volume 15). Chapter 1 provides record retention requirements with emphasis on supporting audit readiness and contingency operations.

B. Interagency Disbursing Support. The Disbursing Policy/Treasury Initiatives Division of the Defense Finance and Accounting Service (DFAS) provides the Department of Defense's (DoD) policy for interagency disbursing support and IPAC. DoD's disbursing offices and their servicing accounting offices coordinate with other U.S. government agencies on establishing IPAC Trading Partner Agreements (see Chapter 11). DFAS email addresses include [DFAS.Indianapolis-IN.zpf.mbx.disbursingdebtmanagementpolicy@mail.mil](mailto:DFAS.Indianapolis-IN.zpf.mbx.disbursingdebtmanagementpolicy@mail.mil) and [DFAS.bean.zpf.mbx.treasuryinitiativesmailbox@mail.mil](mailto:DFAS.bean.zpf.mbx.treasuryinitiativesmailbox@mail.mil).

## 090102. Purpose

This chapter addresses disbursing policy, to include legality and propriety of payment transactions, substantiating vouchers, payment of compensation, advances, payments to third parties, equitable claims, and certified disbursement vouchers. It also addresses disbursement forecasting, processing of disbursement vouchers, disbursements from deposit fund and budget clearing accounts, and payment in support of advance payment pool agreements.

## 090103. Authoritative Guidance

Title 31, United States Code, Section 3321(c)(1) (31 U.S.C. 3321(c)(1)) authorizes DoD disbursing officers (DOs) to disburse public funds on receipt of vouchers properly certified by persons appointed to make such certifications (see 31 U.S.C. 3325 and Chapter 5).

## 0902 POLICY

## 090201. Legality and Propriety

A. Sanction of Law. Examine payment transactions for legality, propriety, limitations, and time frames under the statutes governing the various classes of expenditures and for validity under general provisions of law.

B. Decisions and Responsible Offices. A DO may request an advance decision on the propriety of any perspective payment according to the procedure outlined in each section's standard operating procedure (see Chapter 12). DOs are not pecuniarily liable under Chapter 6 for payments they make based on advance decisions.

## 090202. Substantiating Vouchers

A. Written Record of Transaction. Unless otherwise mandated by law, each transaction by an officer, agent, or employee of the U.S. Government that requires payment of money from the Treasury or payment by a DO or agent of the U.S. Government, requires a written or approved electronically-signed document or series of documents that includes a complete record of the transaction in accordance with this chapter.

B. Electronic Transactions. The Federal Reserve Banks (FRBs) are Treasury's fiscal agents. Each disbursing office processing disbursements maintains a detailed written agreement with the supporting FRB. The DO implements mandatory internal controls to confirm that the FRB receives electronic funds transfer (EFT) payment files successfully, following the payment schedule.

C. Additional Evidence. A DO is not required to make payment merely on the submission of formal evidence. If the facts do not justify payment, a reasonable explanation or the submission of further evidence is required.

## 090203. Payment of Expenses

Using public funds to pay [the expenses of a](#) commission, council, board, or other similar body is prohibited by [31 U.S.C. 1346](#) unless the creation of the body has been specifically authorized by law.

## 090204. Advances, Prepayments, and/or Overpayments

A DO generally may not make advance payments, prepayments, or overpayments of public monies, but [31 U.S.C. 3324](#); Volumes 5, 7A, 8, 9, and 10; and [The Joint Travel Regulations](#) Uniformed Service Members and DoD Civilian Employees allow limited advances and prepayments.

090205. Payments to Third Parties

A. General. Unless specifically authorized by law, monies the government owes to an individual are not subject to attachment, garnishment, or other legal processes. Do not certify or make payment to a third party even though the payee requests it. This restriction applies to all funds including those held in trust by DoD.

B. Levy and Dstraint for Delinquent Taxes. Salaries and wages of officers and employees of the U.S. Government including members of the Armed Forces, are subject to levy and dstraint (the ability to force or compel satisfaction of an obligation by means of seizure) for delinquent federal taxes in accordance with [26 U.S.C. 6331](#).

C. Payments to Bankruptcy Trustees. A civilian employee or military member may file an appropriate bankruptcy petition under [11 U.S.C. 109](#). During the bankruptcy proceedings, the bankruptcy court may order the individual's pay sent to the bankruptcy trustee. Such payments are proper and DOs incur no additional liability as a result. See Volume 8 for civilian employees and Volume 7A for military members.

D. Successor in Interest. [DOs may make](#) payments due to contractors to court-appointed trustees, receivers, or other legal representatives (see Volume 10).

E. Assignment of Claims. Amounts due or to become due under contracts which provide for payments totaling \$1,000 or more may be assigned (see Volume 10).

F. Authorized Withholdings and Allotments of Pay. Deductions from military and civilian payrolls for specific purposes (e.g., retirement, taxes, health benefits, group life insurance, allotments, and voluntary payments for child support or alimony), are supported by statutory authority.

G. Payments to Financial Organizations for Credit to Persons' Accounts. Under [31 U.S.C. 3332](#), [Federal wage, salary, and retirement payments must be by EFT to financial organizations for credit to payees' accounts](#) (e.g., Merchants National Bank, Cr: John Doe, Account Number: 346-839, Taylor, MI 04180) (see also Volumes 7A, 8, and 9).

H. Garnishment of Pay for Child Support, Alimony, and Commercial Debts. Salaries and wages of military members and civilian employees may be garnished for child support and alimony ([42 U.S.C. 659](#)), and for commercial debts (non-child or spousal support) ([5 U.S.C. 5520a](#)).

\* I. Withholding of Contract Payments. Make payment to the Department of Labor for amounts owed by contractors to employees under a contract. [See the Code of Federal Regulations, Part 29, Sections 4.187 and 5.9 \(29 CFR 4.187 and 5.9\)](#).

090206. Equitable Claims

Claims not founded on contracts, either expressed or implied, but on merely equitable or moral grounds, are permitted only after direct authorization by Congress.

090207. Insurance Fee

The government is self-insured (or bonded). Neither a DO nor any of the DO's agents may insure public funds or property.

090208. Municipal Services

Absent specific statutory authority, a DO may not pay for municipal services, e.g., police and fire protection, if those services are required to be furnished to private citizens at no cost.

090209. Questionable Payments

See Chapter 12 for alternatives available in connection with questionable payments.

090210. Certified Disbursement Vouchers

A. Authority. A disbursement voucher certified by someone independent of the disbursing process is a DO's authority to make a payment, and is the source document for liquidation of a government obligation.

1. Certified Vouchers. Certified vouchers must contain complete and accurate data. Contents of these vouchers and supporting documents may vary slightly depending on the type of disbursement and form used. Write signatures and other information that become integral parts of original vouchers in permanent, non-erasable ink. Handwritten information must be legible. Approved electronic signatures are acceptable (see Chapter 1).

2. Voucher Corrections. Return certified vouchers requiring correction to the functional area. Corrected vouchers require recertification before disbursement; disbursing office personnel may not make these corrections.

3. Travel Vouchers. Accept a legible copy of a signed travel voucher and its supporting documents received in lieu of the original for processing and payment as if it were the original. This includes travel vouchers and supporting documents received by facsimile transmission or scanned images forwarded via email.

B. Essential Data. Certified disbursement vouchers must contain the following minimum essential data:

1. Voucher Heading and Date. This includes the complete name and mailing address of the paying disbursing office, the date the voucher is prepared, the disbursing office voucher number, and the disbursing station symbol number (DSSN) in the “Paid By” or “Brief” block.

2. Accounting Classification. The Treasury Financial Manual (TFM), Volume I, Part 4, paragraph 2070 ([ITFM 4A-2070](#)) requires that a voucher certified as correct and proper for payment include an accounting classification against which the disbursement will be charged. Code each charge to an appropriation or fund with a complete accounting classification, and country code when applicable. List the information on a continuation form if the space available is insufficient. The type of payment or the supporting DFAS site dictates acceptable continuation forms. Do not show titles of appropriations or deposit fund accounts. Entering extraneous information, e.g., voucher collection data, may result in the inclusion of erroneous information in accounting records and reports. A certified disbursement voucher may cite more than one appropriation, deposit fund account, or subsidiary account (group two or more subsidiary accounts of the same appropriation by that appropriation). On foreign currency disbursements, show the total amount of the foreign currency disbursement; disbursing office personnel enter the conversion rate and U.S. dollar equivalent (USDE) on vouchers certified for payment in foreign currency.

3. Amount to be Disbursed. Cite the total amount of the disbursement on the voucher in conjunction with the related accounting classification. Any alteration invalidates the certification (see Chapter 5).

4. Method of Disbursement. Show the method of disbursement in the space provided on the certified disbursement voucher. In order of preference, the methods are:

- a. EFT (includes International Treasury Services ([ITS.gov](#)) for payments in foreign currencies),
- b. No check/voucher for transfer,
- c. Treasury check,
- d. Limited Depositary Check, and
- e. Cash (only if specifically authorized by the payee's commander when it is determined that no other alternatives exists due to operational conditions).

5. Payee. List only the individual or organization entitled to the proceeds of the payment on the voucher. Under [10 U.S.C. 2785](#), a DO may not change the remittance address. Also, under [31 U.S.C. 3325\(d\)](#), certified vouchers must contain the payee's taxpayer identification number (TIN), a unique nine-digit identifier assigned to all individuals by the Social Security Administration and to businesses by the Internal Revenue Service (IRS). See Volume 10 for exceptions to the requirement for the use of a TIN on a certified payment voucher.

C. Payment on Forged or Fraudulent Vouchers or Pay Receipts. A DO is pecuniarily liable for payments based on forged or fraudulent vouchers. A DO, deputy, agent, or cashier making such a payment may request relief of liability for such payments (see Chapter 6).

D. Voucher Storage. Follow Chapter 3 to safeguard original paid vouchers.

#### \*0903 DISBURSEMENT FORECASTING

Treasury's Bureau of the Fiscal Service (Fiscal Service) manages the government's daily cash position and disbursements affecting this position. DOs must therefore report their anticipated aggregate level of planned disbursements for each disbursing method (e.g., wire, Automated Clearing House (ACH), check) for the following five-day period. Each entity that performs its own disbursing submits one consolidated report by 2:00 pm eastern time daily following a Fiscal Service standardized reporting process. See the reporting process at [Fiscal Service](#) website.

#### 0904 PROCESSING DISBURSEMENT VOUCHERS

##### 090401. Numbering Disbursement Vouchers

Assign disbursing voucher numbers consecutively starting at the beginning of each fiscal year based on guidance from the supporting DFAS site to which financial reports are submitted. Identify voucher numbers with the disbursing office, not the DO.

##### \*090402. DoD (DD Form 2659 Voucher Control Log

Keep a [DD 2659](#) daily for disbursement vouchers received or prepared in the disbursing office. Include in the log the disbursement voucher number, name of the payee, amount, form of payment (e.g., EFT, check, cash), and check/EFT trace number under "other." This log summarizes daily disbursement and collection transactions, and ensures the entering of all vouchers in the accountability records. It functions as a cross-check against the [DD Forms 2657](#), Daily Statement of Accountability; and [DD 2665](#), Daily Agent Accountability Summary, to summarize disbursement and collection transactions; enables comparison of vouchers paid by check to total checks written, and of vouchers paid by cash or travelers' checks to cashier-paid vouchers; associates returned and undeliverable checks with applicable vouchers; and transmits vouchers showing voucher numbers used, unused, or voided.

##### 090403. Certification of Vouchers

A. The applicable entitlement areas (i.e., military, civilian, travel, and vendor pay) ensure that all payments are proper, prepare the correct number of copies, and ensure that all vouchers contain complete and accurate data.

B. Certifying officers examine payment vouchers before certification to ensure that the information on them agrees with all supporting documentation (see Chapter 5).

C. DOs must have access to the [DD Form 577](#), Appointment/Termination Record – Authorized Signature, verify that vouchers submitted to them for payment have been certified by persons authorized to certify them, and disburse money only in accordance with vouchers certified by authorized certifying officers. A disbursing office detecting an improperly prepared voucher must return it to the functional area for correction and recertification.

**\*090404.** Release of Cash

An individual entitled to a payment (the payee) must receive the cash and sign the voucher. All cash payments require receipts. Do not prepare duplicate receipts. DOs or their agents making cash payments must positively identify the payee [using the photograph on the payee's DoD Common Access Card \(CAC\)](#). Other acceptable forms of identification include a driver's license and other identification normally acceptable in the banking community to cash checks or bonds. Responsibility for payee identification may not be delegated. In cases of cash payment, the exchange of currency and the receipt for it must be simultaneous. Requiring receipts in advance of actual cash payments is prohibited.

**090405.** Cash Payment Vouchers

The responsible entitlement areas send or deliver these vouchers to the cashier area. Payees may hand-carry vouchers when the distance between the entitlement area and cashier area makes this impractical, provided the total amount of the voucher is inscribed in words on the bottom of the voucher (e.g., “sixty dollars and twenty cents”). Space words or enter lines in a manner to preclude alteration by inserting additional words, particularly at [the](#) beginning of writing (e.g., prevent insertion of “one hundred” immediately preceding “sixty dollars and twenty cents”).

A. Cashier Responsibilities. [If the voucher deduction block is used](#) on a payment voucher, the cashier must verify that it contains an appropriation and the total to be paid is net of any deductions. [After verification of these items](#), the cashier [must](#) initial the original voucher to identify who made the payment.

B. Payee Signature. Cashiers must obtain the payee's signature in the space provided, or in the case of multiple payments, on the subvoucher or supporting documentation. The payee signs for receipt of cash using indelible ink. Facsimile signatures and signatures in pencil are unacceptable. When signatures of payees are on a subvoucher or supporting documentation, annotate the “payee signature block” on the cover voucher with the words, “See attached.” Positively identify payees before making payments. Compare the signature obtained on vouchers to signatures on identification cards or other acceptable forms of identification. The form of the signature must be the same as the payee as shown on the voucher, In the signature block, the payee must sign the first name, with additional initials, if any, followed by the surname, except as explained in the following subparagraphs.

1. Unable to Write. A payee unable to write may indicate receipt of payment by signing an “X.” A disinterested party, whose address must be on the form, must witness the form. If the payee is physically unable to write and asks someone to sign in his or her presence, the signature requires verification by a disinterested witness and is regarded as a signing by the payee. File a physician's certificate addressing the payee's inability to sign with the original disbursement voucher.

2. Mental Disability. Do not pay a mentally-disabled payee who cannot comprehend a signature except in the presence of an appointed guardian. File certified copies of court papers appointing a guardian with the original disbursement voucher. The guardian signs the name of the payee, followed by his or her own signature as guardian. Refer to the first disbursement voucher by DO voucher number and date paid on future payments to substantiate the guardianship. If the payee is in an asylum, file the superintendent's certificate that the payee was alive at the time payment was due with each disbursement voucher.

C. Voucher Validation. Validate the voucher by completing the “Paid By” (or “Brief”) block with the paying office location, DSSN, and business date of payment, using a typewriter, automated system, or rubber stamp for this purpose. Do not show the geographical location if the disbursing office has a classified address (see Table 9-1).

**090406. Check Disbursement Vouchers, Manual Voucher Processing**

Responsible entitlement areas [send](#) these to the check-issuing area for check preparation. The check-issuing area enters the check number on the voucher in the space provided. Do not enter check numbers on duplicate copies of vouchers except for payroll and group travel vouchers. When payment is by check on an SF 1034, follow subparagraphs A – E. A receipt is not necessary for payments drawn by the DO except when required by law or contract.

A. Checks Drawn on the Treasury. For payments by check drawn on the Treasury, enter the check number in the block near the bottom of the form titled “Check Number on Account of U.S. Treasury.”

B. Checks Drawn on Limited Depository Accounts (LDAs). For payments by checks drawn on LDAs, enter the check number and the name of the LDA bank on which drawn in the block near the bottom of the form titled “Check Number On (Name of bank)”; for “no check drawn” vouchers, so state.

C. Check Usage. Make checks payable to the payee stated on the disbursement voucher. Number disbursing vouchers sequentially with the lowest check number used to pay the lowest numbered disbursement voucher or the first name on a payroll. Maintaining this unbroken sequence facilitates check issue auditing and reporting. Consolidate multiple payments to the same payee on the same day, and pay them with one check. DOs must

ensure that inscribed checks duplicate the voucher information. A DO may perform this review either before or after signing the checks. The DO ensures the completion of appropriate records to provide control over check writing. Automated systems producing disbursing vouchers must contain edit and validation controls ensuring exact information appearing on the vouchers is passed to the check printer.

D. Paid By. See subparagraph 090405.C.

E. Automated Disbursement Vouchers. The entry of check numbers on automated disbursement vouchers is not required so long as the voucher processing system maintains complete audit trails between disbursement vouchers and hard copy records.

**090407.** Disbursements Overpaid or Underpaid by \$1 or Less

Do not collect an overpayment to a payee of \$1 or less. Prepare an SF 1080 to charge the DoD Component Operation and Maintenance account and credit the appropriation originally charged for the payment. Similarly, do not issue a supplemental payment when a payee is underpaid by \$1 or less unless the payee requests the payment (see ITFM 4-6045.60).

**090408.** Transmittal of Vouchers and Recording

A. Deputies, agents, and cashiers include payment vouchers on the DD 2665 as prescribed in Chapter 15, and settle with their DOs at the end of each day that business was conducted.

B. For mid-day returns of cash on hand or an additional advance of funds, use a DD Form 1081, Statement of Agent Officer's Account.

C. Entitlement areas send transfer, correction, and other disbursement vouchers not for payment by cashiers directly to the accountability area.

D. Return voucher copies to the entitlement area (i.e., military, civilian, travel, and vendor pay).

**090409.** Certification Restrictions

The disbursing office supervisor may not routinely certify vouchers for payment, but may certify cover vouchers supported with properly certified subvouchers. In these cases, the approving official of the supporting documentation may not be the cover voucher certifier. If an emergency exists and the deputy, who is also a supervisor of the disbursing office, must certify a voucher for payment not supported with certified subvouchers, the DO or another deputy dates and signs the voucher that includes a statement similar to: "Payment approved by Lt. John Doe, Disbursing Officer." To ensure adequate internal control, neither the supervisor of the disbursing office nor other disbursing office personnel should be able to input data into the computerized accounting system (see Chapter 5).

**\*090410.** Documentation Supporting Delivery of Payments

Documentation that supports delivery of payments includes a copy of the payment voucher, annotated copies of invoices, [or other available media that provide information on payments delivered](#) to payees as prescribed by functional area directives. [This information may be in any form \(e.g., printed, electronic\) but may be subject to contractual requirements.](#)

**090411.** Deferred Vouchers

These are paid vouchers not recorded in an accounting system, and are usually [vouchers paid by an agent](#) that must be returned for correction. [They may also be vouchers paid by an agent but](#) not yet examined by a DO. Responsible entitlement areas must [act promptly](#) to clear them. Keep a chronological record of actions taken, showing the date when clearance is expected. DOs or their deputies review those actions weekly to ensure the correction of irregularities causing deferment without delay. See Chapter [15](#) for instructions on reporting deferred vouchers on the DD 2657.

**090412.** Classified Payments

A. General. A DO making payments classified for security purposes prepares a covering disbursement voucher. [These](#) may not contain information that requires a security classification. [On the original and all copies](#) show only the name and address of the payee, amount, date of payment, complete accounting data, voucher number, check number, DO's name, DSSN, and disbursing office payment data in the "Paid By" (or "[Brief](#)") block. Payments under classified contracts should include instructions requiring the supplier to limit information on invoices so that supplies or services are identifiable only by reference to the contract. The DO (for collateral classified programs) or the voucher preparing office (for special access programs) allows access to classified documents to only those persons requiring access for the performance of their official duties. Refer to appropriate security regulations, if necessary. Personnel who process classified documents must possess a security clearance level equal to or higher than the documents they process. DOs or voucher preparing offices must assign duties, e.g., preparation of vouchers, so that only a minimum number of persons require access to classified information. Mark and store classified documents following prescribed security regulations.

B. Preparation. Do not attach classified essential supporting documents, invoices, or certificates to the original disbursement voucher, but identify them by the name of the DO, voucher number, DSSN, and the period of the account. Retain them at the paying disbursing office (for collateral classified programs) or the voucher preparing office (for special access programs) with other classified material. The original and all copies of the covering disbursement vouchers may contain only the essential information described in paragraph [090210.B](#). Include one of the following statements on the portion of the voucher for the description of the articles or services purchased:

1. For collateral classified programs: "The documents supporting this voucher are located at the payment site with other classified material in accordance with (cite the applicable security regulation)."

2. For special access programs: “The documents supporting this voucher are located at the voucher preparing office with other classified material in accordance with (cite the applicable security regulation).”

C. Declassification. Refer to appropriate security regulations for declassifying and downgrading, and to report classification abuses and improper classifications.

D. Distribution. Distribute the original and required copies of the covering disbursement voucher in the normal manner. Do not attach the classified supporting documents.

#### 090413. Payments from Contingency Funds

Use DD Form 281, Voucher for Emergency or Extraordinary Expense Expenditures, to make payments from contingency funds.

A. Preparation. Prepare the form to allow it to be unclassified. Classify supporting documents based on their content. A covering disbursement voucher is not required as described in paragraph 090409.

B. Transmittal of Vouchers and Recording. See paragraph 090408.

#### 090414. Hand-Carrying Disbursement Vouchers

A. Vouchers Prepared Outside the Disbursing Office. Send payment vouchers prepared outside the disbursing office to the disbursing office so that the payee does not have access to them.

B. Vouchers Prepared within the Disbursing Office. The responsible functional area sends or delivers these vouchers to the cashier area. Where distance between the functional area and cashier section makes this impractical, see paragraph 090405.

#### 090415. Distribution of Paid Vouchers

The disbursing office sends the original and necessary copies of paid vouchers to the appropriate DFAS site (see [Chapter 15](#)).

#### 090416. Electronic Fund Transfer (EFT) Payments

A. Procedures. Disbursing offices using EFT transfer funds to the FRB on [debit vouchers](#) showing the date payment is due, and send [them](#) to the FRB. The DO must implement internal controls to confirm that the FRB receives the payment files successfully and on schedule, and retain the memorandum copy of the [debit voucher](#). DOs that transmit payment files electronically use the FRB's summary of ACH activity report in lieu of the [debit voucher](#). In either case, the FRB issues a confirmation [debit voucher](#) to the DO. For an EFT transaction, record the [debit voucher](#) as a negative deposit with the payroll, travel, or vendor payment recorded as a gross disbursement.

B. Returns. When a financial institution returns one or more EFT/ACH payments to a paying office, the DO prepares and processes a collection voucher to account for the returned funds, crediting them to the appropriation from which they were originally disbursed. Record the collection on line 4.1B of the DD 2657, with an offsetting entry on line 4.2A to account for the [deposit ticket](#) from the FRB in processing the returned payment. The DO notifies the appropriate entitlement area of the returned payment by providing a copy of the collection voucher and any rejection information received (e.g., the reject code). See Treasury's [Green Book](#) for a detailed listing of payment rejection codes. The entitlement area tracks, monitors, and researches the cause of the return and provides a recertified voucher to initiate an appropriate EFT/ACH payment within 5 business days.

C. Reclamations. The DFAS-Cleveland (DFAS-CL) DO, when notified of the death of a military retiree or an annuitant, contacts the decedent's bank requesting the return of all payments made since the retiree's or annuitant's death. The DFAS-CL DO has three years from the date of the Treasury [Fiscal Service's](#) Form 133 (FMS 133), Notice of Reclamation, to submit FMS Form 135, ACH Reclaims. See Treasury's Green Book for detailed instructions.

[090417](#). Retention of Records

[See Chapter 1](#).

## [0905](#) DEPOSIT FUND AND BUDGET CLEARING ACCOUNTS

[090501](#). Disposition of Funds in Deposit Fund Accounts

A. Method of Disposition. Applicable functional areas dispose of collections received for deposit fund accounts using one of the following methods.

1. Payment to Other Individuals or Organizations. Use an SF 1034.
2. Refund to the Remitter. Use an SF 1034.
3. Withdrawal for Application to an Appropriation, Receipt Account, or Other Deposit Fund Account. Use an SF 1081 for the disbursement and collection, and submit it as substantiation for either or both. [The SF 1081 cannot be used](#) for check or cash payment.

B. Vouchering. [Only](#) one deposit fund account [may be charged](#) on a single voucher. Submit charges to accounts \*\*F0109, Federal Tax Withheld from Payments to Nonresident Aliens; and \*\*F3875, Budget Clearing Account (suspense) on separate vouchers.

C. Civilian Pay Deductions. When preparing an SF 1081 for adjustment of deductions from civilian pay, show deposit fund account symbols and amounts for withheld taxes and U.S. savings bonds on the same SF 1081 containing the necessary information.

D. Withdrawals Involving Foreign Currency. To repay foreign currency deposits at USDEs different from those at which they were deposited, see Chapter 13.

090502. Budget Clearing Account (Suspense), \*\*F3875

A. Transfer of Funds. Upon determining the proper disposition of funds in this account, transfer the amount on an SF 1081 or 1080 to the proper account. Explain the charges on the SF 1080 or 1081. See [TFM Bulletin No. 2011-06](#) for guidance on the use of \*\*F3875. Use this account to hold unidentifiable collections temporarily for no more than 60 days, or use other business processes approved by the FMS. Payment is prohibited from the \*\*F3875 suspense accounts.

B. Disbursements Representing Funds Received for Other Government Agencies. After transfer of funds to the proper account, prepare a disbursement voucher to show the office and agency that are to receive payment. Send an IPAC payment or check payable to the Treasury and a copy of the disbursement voucher to the official of the agency requesting collection, subject to the following exceptions.

1. Checks Payable to the U.S. Postal Service. If the collection is for credit to a U.S. Postal Service appropriation or receipt account citing departmental prefix "18," send the check and a copy of disbursement voucher to the Manager, Finance Branch, Eagan Information Systems/Accounting Service Centers, U.S. Postal Service, 2825 Lone Oak Pkwy, Eagan, MN 55121-9614.

2. Checks Payable to Other Government Agencies. For a collection for another government agency, send the check to the agency with a source and reason for collection.

C. Deposits Representing Collections for Unofficial Telegraph and Telephone Service. Upon transfer of funds to the proper accounts, disburse amounts representing federal taxes for unofficial telegraph and telephone services to the appropriate IRS District Director.

D. Transactions Rejected by the Accounting System. Accounting offices notify the DO and request the documentation needed to process the transaction successfully. DOs send the requested documentation to the accounting office within 30 days.

1. Supporting Documentation Maintained Locally. The DO sends the requested documentation to the accounting office immediately.

2. Supporting Documentation Maintained at a Remote Site.

a. The DO notifies the entitlement area of the rejected transaction immediately by telephone or email.

b. If the requested information is not received within **five** working days of the initial request, send a formal, written request to the functional area, referencing the original request.

c. If no response is received within **five** working days of the second request, send a copy of the request memorandum, with a cover letter, to the site director or commander, as appropriate.

#### 090503. Overages

A. Disbursement Action. For an overage that should not have been accounted for as a collection, the responsible functional area prepares an SF 1034 payable to “Adjustments” to reverse the erroneous collection and permit proper accounting for the funds. Do not issue a check or a cash payment for this voucher.

B. Adjustments. If an amount should have been reported as a collection to an accounting classification other than \*\*F3875; \*\*F3885, Undistributed Intergovernmental Payments; \*\*X6500, Advances Without Orders from Nonfederal sources; \*\*X6501, Small Escrow Amounts; or \*\*X6276, Other Federal Payroll Withholding, Allotments (e.g., a collection from a sales official); the responsible entitlement area initiates the adjustment by preparing an SF 1081 charging one of the cited accounts and crediting the proper appropriation or fund.

C. Removal. If every reasonable effort to discover the proper disposition of the funds is unsuccessful, prepare an SF 1081 to remove the amount from the affected deposit fund account, and credit \*\*R1060, Forfeitures of Unclaimed Money and Property.

### 0906 PAYMENTS IN SUPPORT OF ADVANCE PAYMENT POOL AGREEMENTS

#### 090601. General

An advance payment pool agreement:

A. Is a means of financing the performance of more than one contract held by a single contractor;

B. Is convenient for the financing of cost-type contracts with nonprofit educational or research institutions for experimental or research and development work when several contracts require financing by advance payments. When appropriate, pooled advance payments may also be used to finance other types of contracts held by a single contractor; and

C. May be established:

1. To finance contracts for one or more departments or contracting activities;

2. In addition to any other advance payment pool agreement at a single contractor location when it is more convenient or otherwise preferable to have more than one agreement, or;

3. Without regard to the number of appropriations involved. Under [31 U.S.C. 1534](#), one appropriation may be charged for the benefit of another any time during a fiscal year so long as:

a. Amounts are available in both the appropriation to be charged and the appropriation to be benefited subject to limitations applicable to the appropriations, and

b. Any amounts paid are charged on a final basis by the close of the fiscal year to the appropriation benefited and the appropriation originally charged is appropriately credited.

090602. Policy

A. Allow payment in advance of receipt of goods or services to educational and research institutions under [10 U.S.C. 2307](#). Payments are allowed only if the contractor gives adequate security and after a determination by the head of the agency that to do so would be in the public interest. Security may be in the form of a lien on the balance in an account in which the payments are deposited. This lien takes precedence over other liens and is effective immediately upon the first advance payment of funds without filing, notice, or any other action by the U.S. The total payments made may not exceed the unpaid contract price.

B. Allow multiple agencies or departments which are part of the pool agreement to have their funds cited on contracts. When more than one contract is involved in the pool agreement, one or more of them, normally of large dollar value, is designated as the contract to which the advance payments are to be applied. Follow Volume 10 to process advance payments.

Table 9-1. Disbursement Voucher “Paid By” Blocks

DATA	EXAMPLE
WITHIN THE UNITED STATES	
Location (Base and State) ZIP Code Disbursing Station Symbol Number Date of Payment	Camp Lejeune NC 28542 28540 DSSN 6092 1 May 20XX
Location and ZIP Code Disbursing Station Symbol Number Date of Payment	Ft. Finance SC 29207 DSSN 0001 20 August 20XX
Classified Disbursing Station Symbol Number UIC and Name of Disbursing Activity Date of Payment Name and DSSN of Operating Location	DSSN 5171 (62306) NAVOCEANO 21 SEP 20XX DFAS Cleveland 8522 1240 East 9 <sup>th</sup> Street Cleveland OH 44199
OUTSIDE THE UNITED STATES	
Location Disbursing Station Symbol Number Date of Payment	APO AE 09440-1111 DSSN 6637 1 May 20XX