

**VOLUME 5, CHAPTER 11: “ELECTRONIC COMMERCE AND DEPOSIT OF PUBLIC FUNDS”**

**SUMMARY OF MAJOR CHANGES**

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

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

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

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

The previous version dated [June 2019](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
4.3.2 (11403.B)	Added guidance and subparagraph titled “Government Invoicing Initiative” from the Treasury Daily Reporting Policy Memo (FPM 19-14).	Addition
4.3.6 (110403.F)	Added additional guidance to subparagraph titled “Other Required Information” from the Treasury Daily Reporting Policy Memo (FPM 19-14).	Revision
4.5.1 (110405.A)	Amended the subparagraph titled “Recording Intra-governmental Payment and Collection (IPAC) Transactions” by removing the requirement to use the Standard Form 1219 (Statement of Accountability) to record IPAC transactions. Per Treasury instructions, all IPAC transactions are recorded daily in Treasury’s Central Accounting Reporting System.	Revision
4.5.3 (110405.C)	Removed the subparagraph titled “Monthly Reporting of Differences by the Treasury to Agencies” from the chapter. The Treasury no longer provides the monthly Statement of Difference (Form 6652) report.	Deletion
8.0 (1108)	Added additional guidance to paragraph titled “Deposit of Funds” from the Treasury Daily Reporting Policy Memo (FPM 19-14).	Revision
10.2 (111002)	Added additional guidance to paragraph titled “Standard Reporting Format” from the Treasury Daily Reporting Policy Memo (FPM 19-14).	Revision
11.3 (111103)	Added additional guidance to paragraph titled “Deposit Reconciliation – General” from the Treasury Daily Reporting Policy Memo (FPM 19-14).	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Figure 11-1	Deleted the form titled “Example of a Bilateral Trading Partner Agreement,” which is no longer used by the Treasury.	Deletion
Figure 11-2	Deleted the form “Example of DD Form 1131 with Deduction for Cashier’s Check” These forms can be found at DoD Forms Management. ( <a href="https://www.esd.whs.mil/Directives/forms/">https://www.esd.whs.mil/Directives/forms/</a> ).	Deletion
Figure 11-3	Deleted the form titled “Endorsement on Instruments Deposited to a General Depository” form. The Defense Finance and Accounting Services, Enterprise Solution & Standards (ESS), Disbursing Division has assumed responsibility for managing disbursing related procedural forms.	Deletion
Table 11-1	Deleted the Table titled “Checklist for DFAS Site Responsibilities for Deposit Discrepancies” form. The Defense Finance and Accounting Services, Enterprise Solution & Standards (ESS), Disbursing Division has assumed responsibility for managing disbursing related procedural forms.	Deletion
Table 11-2	Deleted the Table titled “Checklist for DFAS Site Responsibilities for Deposit Discrepancies” form. The Defense Finance and Accounting Services, Enterprise Solution & Standards (ESS), Disbursing Division has assumed responsibility for managing disbursing related procedural forms.	Deletion
Policy Memo	The Deputy Chief Financial Officer policy memorandum, “Intra-Governmental Payment and Collections System Cutoff and G-Invoicing Guidelines (FPM 20-06),” dated July 6, 2020, was incorporated into the chapter and cancelled.	Cancellation

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## CHAPTER 11

**ELECTRONIC COMMERCE AND DEPOSIT OF PUBLIC FUNDS**

## 1.0 GENERAL (1101)

## 1.1 Overview (110101)

Government entities disburse funds to and collect funds from individuals, businesses, and other government entities via cash, negotiable instruments, and a variety of electronic mechanisms.

## 1.2 Purpose (110102)

This chapter provides information and guidance on several electronic disbursement and collection mechanisms that are Department of Treasury (the Treasury) programs and services.

## 1.3 Authoritative Guidance (110103)

Title 31, United States Code, section 3322 ([31 U.S.C. § 3322](#)) and [31 U.S.C. § 3302](#) authorizes disbursing officers (DO) to deposit public funds and draw public funds from the Treasury or a depository only as necessary to make payments. Additional statutes, regulations, and other guidance are referenced under each section of this chapter.

## 2.0 ELECTRONIC FUNDS TRANSFER (EFT) (1102)

## 2.1 Overview (110201)

In accordance with 31 U.S.C. § 3332, EFT is mandatory within the Department of Defense (DoD). Exceptions to this mandate are provided in the Treasury Financial Manual (TFM), Part 4A, Chapter 2000 ([1 TFM 4A-2000](#)).

## 2.2 Electronic File Transmission (110202)

Payment or payroll files must be transmitted to the Federal Reserve Bank (FRB) by electronic file transmission.

## 2.3 Contractor Pay Applicability (110203)

Refer to Volume 10, Chapter 3, paragraph [030408](#).

## 2.4 Official Authorization List (OAL) for the FRB (110204)

2.4.1. Overview. The OAL identifies all individuals who are authorized to transact business and provide instructions to the FRB on behalf of a disbursing office.

2.4.2. OAL Documentation. The OAL authorization letter, form, and instructions are located at the FRB Services - Account Services Forms web page. The disbursing offices must complete the “Official Authorization List (Government Organizations)” form, notarize the OAL form, sign the Agency Authorization Letter, and forward the documents to Treasury’s Bureau of the Fiscal Service, 401 14th Street SW - 409D, Washington, DC 20227, (treasuryOAL@fiscal.treasury.gov).

2.4.3. OAL Change Process. Each DO must validate their respective contact form for their office at least annually. If changes are required, follow the process in the FRB Service guidance located at the [FRB Services, Table S.4](#) web page (Sending Point and Service Provider Contact form). Once completed, send a copy to Defense Finance and Accounting Service (DFAS), Enterprise Solutions and Standards, Disbursing (DFAS-IN/JJFKCB), 8899 East 56th Street, Indianapolis, IN 46249-2700 (dfas.indianapolis-in.jjf.mbx.ess-disbursing@mail.mil) and submit the original to the Fiscal Service, who will sign and forward to the FRB.

### 3.0 CARD ACQUIRING SERVICE (CAS) (1103)

#### 3.1 Overview (110301)

The CAS is a government-wide network that allows federal agencies to receive credit and some debit card payments (i.e., Visa, MasterCard, American Express, Discover credit cards, and some debit cards) due the Federal Government. These credit or debit cards can be used to collect payments from the general public and from Government entities for a variety of reasons, including, but not limited to: sales of material, services, fees, fines, debts, customs duties, and taxes. Fiscal Service designated one financial agent to process credit and debit card collections and to provide uniform nationwide credit and debit card services for federal agencies. Credit and debit cards may be used for collections received over the counter, by mail, by phone, or over the Internet. If an agency wants to accept payments through the Internet, it is recommended that the agency work with Pay.gov in addition to setting up a CAS account. For more information about Pay.gov, see section 7.0. Information pertaining to the CAS can be found at Fiscal Service’s [Card Acquiring Service \(CAS\)](#) website.

#### 3.2 Card Processing Rules and Regulations (110302)

Activities participating in the CAS will use the “Financial Management Service (FMS) Card Processing Rules and Regulations” as a guide when processing credit and debit card transactions. In order to establish a processing relationship, activities must complete and submit the Agency Participation Agreement (APA) to Fiscal Service for approval. Prior to submission, activities must coordinate with their servicing DO.

#### 3.3 Transaction Dollar-Value Limit (110303)

3.3.1. Maximum Limit. Effective June 1, 2015, agencies must limit their credit card collections to ensure an individual payment transaction does not exceed \$24,999.99. There should be no purchases using the credit card in excess of \$24,999.99. An attempt to bypass this limit will result in a rejected transaction at the point of collection. Agencies will ensure controls are in place

to prevent splitting a purchase into smaller transactions. The payment–collection process will be stopped if the maximum limit for a collection is attempted. This information can be found at [1 TFM 5-7045.10](#). This limit has been lowered from the previous payment transaction limit of \$49,999.99.

3.3.2. Government Purchase Card Transactions. The limit in subparagraph 3.3.1 also applies to intra-governmental transactions using the government purchase card when the agency accepting the card uses Treasury’s CAS. Individual credit card transactions exceeding the maximum limit cannot be split into two or more transactions over one or multiple days. If the agency’s cash flow includes individual credit card transactions greater than the maximum limit, the agency should use another electronic collection alternative for those transactions. Available electronic alternatives include Automated Clearing House (ACH), which is the primary system for EFT, and Fedwire, which is a gross settlement funds transfer system operated by the FRB.

3.3.3. Minimum Limit. Agencies may not establish minimum transaction amounts as a condition of honoring a credit or debit card. Minimum limits must be established or allowed by the Treasury and will only be permitted in certain circumstances.

3.3.4. Purchase Card Payments. Requirements can be found in Volume 10, Chapter 23.

#### 3.4 Processing Transactions (110304)

All activities must settle (balance or reconcile) on a daily basis, regardless of the amount accumulated that day. Activities will pay the assessed non-qualifying interchange fee when they fail to settle electronically every day. The network bank will inform the activity of its particular cutoff times for deposits. In an electronic environment, settlement transactions should take place through an Electronic Data Capture/Point of Sale at various times during the day (or once at the close of business) in order to meet the cutoff time for deposits.

#### 3.5 Reports and Reconciliation (110305)

Based on the report requirements established in the participation agreement with the network bank, reports of the merchant's credit and debit card activity will be made available electronically by the network bank to the participating DoD activity (merchant). The summary will detail dates of deposits, dollar amounts of deposits, number of transactions processed, adjustment charges, and chargebacks. This report must be used to reconcile any differences which may occur between the report and entries into the accounting system. The report must also be reconciled with the DoD [\(DD\) Form 1131](#), Cash Collection Voucher, submitted to the DO or Deputy DO, and the deposit information posted in the Collection Information Repository (CIR).

#### 3.6 Internal Controls (110306)

Internal control procedures must be established by each participating DoD activity to ensure that credit and debit card transaction documentation, to support all DD 1131s submitted to the DO, is properly safeguarded. Documentation must be available for use by the DO’s quarterly cash verification board, the collection agent audit board, and for other audit purposes.

## 4.0 INTRA-GOVERNMENTAL PAYMENT AND COLLECTION (IPAC) SYSTEM (1104)

### 4.1 Overview (110401)

4.1.1. This section covers general information on the IPAC system. General requirements and technical specifications are fully prescribed by the Treasury on the Intra-Government Payment and Collection ([IPAC](#)) website (see Volume 10, Chapter 10, section 1002).

4.1.2. The IPAC system is used for buyer-seller (i.e., reimbursable) transactions between federal agencies because it accomplishes the following:

4.1.2.1. Facilitates timely posting of collections to reduce receivable balances,

4.1.2.2. Eliminate the paper flow between agencies,

4.1.2.3. Eliminate the use of Treasury checks between agencies,

4.1.2.4. Improves cash management, and

4.1.2.5. Establishes the Treasury as the collection agency.

### 4.2 IPAC (110402)

The IPAC system's primary purpose is to provide an automated standardized interagency funds expenditure transfer mechanism for Federal Program Agencies (FPAs). It facilitates intra-governmental Federal e-commerce by transferring funds, with related descriptive data, from one FPA to another on a real-time basis. The IPAC system enables FPAs to exchange accounting information and to transfer funds between FPAs involved in buyer-seller relationships. It establishes standardized interagency payment, collection, and adjustment procedures through an internet-based application. The IPAC system also includes a module for the Retirement Insurance Transfer System transactions that are transmitted to the Office of Personnel Management (also see the [IPAC website](#)).

### \*4.3 Originating the IPAC Transactions (110403)

4.3.1. [Buy-Sell Agreement](#). Per [1 TFM 2-4700, Appendix 10](#), Buy-Sell Agreements are required between agency location codes (ALCs) in order to help facilitate the payment/collection process. The Buy-Sell Agreement contain agreed upon terms between the ALCs that help ensure necessary transaction information is provided so that both sides will be able to reconcile their transactions (also see the [IPAC website](#)).

\* 4.3.2. Government Invoicing Initiative. In a daily reporting environment, agencies are required to use Treasury's government invoicing (G-Invoicing) system (formerly named the Invoice Processing Platform). G-Invoicing is used to negotiate, broker, and electronically store the General Terms and Conditions between buyers and sellers for all inter- and intra-governmental reimbursable transactions as appropriate system capabilities become available. Additional information on G-Invoicing is addressed in Volume 11A, Chapter 2, paragraph 020301.

#### 4.3.3. Initiating the Order

4.3.3.1. The customer agency must include its ALC on all requisitions or order forms forwarded to the billing agency. This code identifies the customer agency to be billed for services or supplies. The billing agency will provide the customer agency with appropriate instructions for transmitting this information. In addition, the customer agency is advised to include sufficient descriptive information on the requisition or order form, which the billing agency will place in the description section of the bill. This will enable the customer agency to match the bill with the originating requisition when the bill is received on the customer's computer system. The primary match will be on the originating document number. The IPAC system was not designed to be dependent on appropriation data as criteria to match an existing obligation since the Treasury transfers funds at the ALC level.

4.3.3.2. After fulfilling the customer agency's requisition/order, the originating agency (based on whether it is a payment or collection transaction) must input the appropriate data in all the IPAC required data fields. Also, it must input the customer agency's special requirements and any descriptive information, supplied with the requisition/order, in the appropriate fields of the IPAC transaction.

#### 4.3.4. Initiating the IPAC Transaction

4.3.4.1. If a collection transaction is initiated by the billing agency, the transaction provides essential invoice information and immediately charges the funds to the 8-digit customer ALC. Within DoD, the 8-digit ALC is the 4-digit Disbursing Station Symbol Number (DSSN) preceded by four zeros. Upon fulfilling the customer agency's order or requisition for services purchased or supplies shipped, immediate payment is accomplished by the billing agency crediting its own ALC and charging the customer agency's ALC. A payment transaction initiated by the customer agency (i.e., disbursement) is used to credit funds of the billing ALC when a hardcopy invoice is received. A payment transaction is also used to transfer payroll deduction type payments (e.g., Internal Revenue Service or Veterans Education Assistance Program).

4.3.4.2. Transactions can be input manually into the on-line system or created automatically by accounting or disbursing systems for bulk data transfer or host-to-host transmissions. The IPAC system automatically will issue an IPAC Document Reference Number that is the equivalent of a U.S. Treasury check number and will ensure that no two transactions have the same number.

4.3.4.3. Bulk files are queued for processing as soon as they are received into the IPAC system; on-line transactions are transmitted in "real-time." Whether an on-line or bulk data

transfer transaction, the transaction originator must include a point of contact and telephone number to ensure the receiving agency can accurately determine who to contact if there is a need for adjustment.

4.3.4.4. A collection or disbursement voucher (e.g., DD 1131, Standard Form [\(SF\) 1080](#), Voucher for Transfers Between Appropriations and/or Funds, or [SF 1034](#), Public Voucher for Purchases and Services Other than Personal) must be prepared for each bill or payment entered in the system and processed through the DO in the same manner as other vouchers, except that no check or cash payment is sent or received.

4.3.5. Required Data Elements for Initiating IPAC Transactions. There are mandatory fields that must be filled out in the IPAC system to process specific IPAC transactions. These data elements vary by transaction type and are required by the Treasury. The mandatory fields can be found [at the IPAC website](#).

\* 4.3.6. Other Required Information. There are three additional required data elements for DoD IPAC transactions, in addition to the Treasury required information. When initiating a payment or collection in IPAC, the sender Business Event Type Code (BETC), receiver BETC, and the receiver Treasury Account Symbol (TAS) are required for every transaction. Also, an ALC can require specific and/or descriptive data necessary for their ALC to process the transaction completely. This specific information should be outlined in the [Buy-Sell Agreement](#) that was agreed upon by the participating ALCs. See [1 TFM 2-5135](#) for guidance for the TAS/BETC reporting of accounts \*\*F3500, Collections and/or Payments Default, and 3502, IPAC Default. Agencies must correctly reclassify, in the Classification Transactions and Accountability (CTA), all system defaulted transactions to a valid receipt or expenditure TAS by the third business day following the close of the accounting month.

#### 4.4 Processing Cycle (110404)

The IPAC system is available through the last day of each month to enter bills or transfers for that month. However, unless a different cutoff date and time has been agreed upon in a [Buy-Sell Agreements](#), agencies will not process any new transactions the last [five business](#) days of the month to avoid month-end accounting problems. In addition, [Trading Partner Agreements \(TPA\)](#) being revised to incorporate the new five workday cutoff must utilize Fiscal Service Forms 7600A and 7600B as the Department continues to migrate towards G-Invoicing. The TFM, I TFM 2-4700, states G-Invoicing was available for government-wide use with G-Invoicing Release 2.1, which allowed users to begin brokering General Terms and Conditions (GT&Cs) within the system. Each DoD reporting entity must apply the GT&Cs for intragovernmental transaction account reconciliation, derived from TFM, I TFM 2-4700, to all transactions with internal DoD trading partners currently using G-Invoicing for GT&Cs.

#### 4.5 Recording IPAC Transactions (110405)

4.5.1. Under the Central Accounting Reporting System (CARS) initiative, partial and “Full” CARS reporters will no longer report IPAC transactions to the Treasury monthly, since they provide the information daily.

4.5.2. Reconciliation. To assist the ALC in ensuring all transactions are accounted for, an ALC can print out its activity from the IPAC system (see the IPAC website).

#### 4.5.3. Reporting of Unprocessed Transactions

4.5.3.1. Unidentified transactions between federal agencies, including IPAC transactions, will be debited or credited to account \*\*F3885 (Undistributed Intra-governmental Payments). The Treasury identified a 3-digit limit, \*\*F3885.007, specifically for the IPAC system. All new transactions that remain unclassified at month-end will be recorded in \*\*F3885.007 (see 1 TFM 2-5135).

4.5.3.2. The detailed transactions and the reconciliation to the Treasury will remain in the existing tool used for recording and clearing unprocessed IPAC transactions.

4.5.4. Receipt and Acceptance Internal Controls. DoD financial reporting entities should include IPAC in intra-governmental transactions, and must develop and implement internal controls to ensure that receipt and acceptance is properly documented. This documentation must be made available within the timeframe prescribed by an auditor when requested during audits.

#### 4.6 Adjustments of Erroneous Charges (110406)

Both the billing and customer agencies should recognize that the system cannot tolerate uncontrolled charges or adjustments. The adjustment function should not be used to adjust charges that originated under other billing systems. The charge should also not be considered erroneous simply because the customer agency receives the paid billing statement before supplies are received. If the receiving agency subsequently finds that the transaction was erroneous, the adjustment should be made at that time. However, the receiving agency is limited to 90 days from the creation date of the transaction, to process the adjustment. It should be noted that the sending agency also has the ability to make an adjustment to an erroneous transaction prior to, or after its submission to the receiving agency within 90 days.

4.6.1. There are some situations that warrant an immediate adjustment to a transaction. Some acceptable reasons for an immediate adjustment are:

4.6.1.1. Wrong ALC was billed for the transaction,

4.6.1.2. Funds cited do not belong to the billed ALC,

4.6.1.3. Appropriation cited has expired,

4.6.1.4. Transaction exceeds authorized funding,

4.6.1.5. Duplicate transaction, or

4.6.1.6. Noncompliance with required data elements set forth in a TPA.

Anytime a transaction appears to be erroneous, there needs to be sufficient reason to adjust it back. If you can take ownership of a transaction, (i.e., a valid billing that belongs to your ALC) it should not be rejected without sufficient research and notification. Communication between trading partners is key to resolving erroneous transactions.

4.6.2. The agency representative who created the original transaction should be contacted. If the transaction is erroneous, the receiving agency will access the IPAC on-line system and make the menu selection for IPAC adjustments. The IPAC system will guide the user with prompts. The user will enter all pertinent data as requested. The IPAC system contains edits to ensure that the original transaction is matched. Once the data is entered correctly, the system will issue an IPAC Adjustment Voucher Number unique to each transaction. Adjustments are considered a new transaction for reporting purposes and included in the net totals for the month in which the adjustment is accepted in the IPAC system.

4.6.3. In cases where the originating agency (i.e., the ALC that created the transaction) later concludes that the adjustment (or a portion thereof) was improper, it must communicate this to the receiving agency, preferably by email or via telephone. When agreement is reached, a second IPAC transaction will be prepared for the proper amount.

#### 4.7 Basic Criteria to Access the IPAC System (110407)

In order for billing and customer agencies to use the IPAC system, the following is required ([also see the IPAC website](#)):

4.7.1. Master Administrator must be assigned the responsibility of setting up IPAC Agency Administrators (IAAs) for one or more ALCs. The IAAs are responsible for registering agency personnel as IPAC users. These users will then be given a user id and gain access to the IPAC system based on assigned roles.

4.7.2. The Treasury must assign each ALC an identification number and password that will enable access to the system. The Treasury also requires the ALCs of the corresponding agencies from which the transactions will originate or be received. Agencies that are Non-Treasury disbursing offices (such as DoD) control their own billable/non-billable status.

#### 4.8 Restrictions (110408)

The Treasury reserves the right to (a) make any adjustments centrally in CARS and (b) to remove any agency from the IPAC system in those instances when the agency fails to comply with the rules and regulations set forth by the Treasury. For additional information [see the IPAC website](#).

## 5.0 TREASURY LOCKBOX NETWORK (1105)

The Treasury Lockbox Network is comprised of financial agents that provide lockbox and remittance service to the Treasury on behalf of federal agencies. The financial agents are strategically located to minimize mail, processing, and collection float. Lockbox processing was adopted as a means of accelerating deposits to the Treasury's General Account at the FRB of New York. The Treasury ([1 TFM 5-4600](#)) has prescribed guidance on lockbox service.

## 6.0 CREDIT GATEWAY (1106)

### 6.1 Overview (110601)

The Credit Gateway is a collection program for Fedwire and ACH credit transactions. For more information about Credit Gateway, see paragraph 6.2 for the hyperlink to Fiscal Service's Credit Gateway.

### 6.2 Implementation (110602)

Activities who want to use the Credit Gateway must complete the new account setup form and email it to Fiscal Service. Fiscal Service will coordinate with the financial agent to assign an account number. Upon notification that the account number is active, the activity can provide the account number to customers and receive payments. Activities interested in creating a Credit Gateway account should review the [Fiscal Service's Credit Gateway, Get Started](#) link.

### 6.3 Credit Gateway Process (110603)

6.3.1. The activity advises the customer of the obligation due the Government, either by invoice, bill, letter, or other means. The agency also supplies the customer with the appropriate information to include in the transaction.

6.3.2. When the customer sends the payment through their financial institution, the FRB receives the transaction and credits the Treasury's account.

6.3.3. Transaction information is submitted to the Treasury via the CIR. The transaction information includes both detailed and summary deposit information. The activity can download the information from CIR.

6.3.3.1. [Fedwire Reporting](#). CIR will report deposit information for Fedwires in near real-time.

6.3.3.2. [ACH Credit Reporting](#). CIR will report future-dated and settled ACH credit entries.

## 7.0 PAY.GOV (1107)

### 7.1 Overview (110701)

[Pay.gov](#) was developed by Fiscal Service to meet a commitment of processing collections electronically using internet technologies. Pay.gov satisfies agencies' and consumers' demands for electronic alternatives by providing the ability to electronically complete forms, make payments, and submit queries 24 hours a day. Pay.gov is a secure, government-wide collection portal and provides a suite of services allowing agencies to obtain and process collections in an efficient and timely manner.

### 7.2 Services (110702)

The Pay.gov application is comprised of four services: billing/notification, forms, reporting, and collections.

### 7.3 Collections Service (110703)

The Pay.gov collections service has credit and debit card transaction and ACH debit transaction processing options. Activities that want to accept credit and debit cards through Pay.gov must apply for an internet merchant account with the Fiscal Service CAS. Pay.gov accepts several payment options:

7.3.1. One-time Payments. The customer submits a one-time payment to the activity.

7.3.2. Recurring Payments. The customer sets the payment details and establishes a specific interval of time between each payment. Payments continue until all payments have been made or the payments have been canceled.

7.3.3. Deferred Payments. The customer can enter and schedule a payment up to 30 days in advance. Customers performing a credit or debit card transaction cannot use this option.

7.3.4. Preauthorized ACH Debits. The customer can authorize the activity to submit payment information, on their behalf, for regular, recurring ACH debits. The customer must provide advance, written authorization. The activity submits the payment information to Pay.gov.

### 7.4 Implementation (110704)

7.4.1. Prior to implementing Pay.gov, activities must obtain the approval of the servicing DO.

7.4.2. Activities considering use of Pay.gov are directed to Fiscal Service's [Pay.gov Help](#). Guides and technical information can be found at the [Pay.gov Agency Documentation](#).

7.4.3. DFAS established a Pay.gov team to provide assistance with new or changing Pay.gov activities. The DFAS Pay.gov team serves as a focal point for communicating with

Treasury and can review, approve, and authorize all Pay.gov initiatives. Contact the DFAS Pay.gov team at [dfas.indianapolis-in.ztd.mbx.pay-gov@mail.mil](mailto:dfas.indianapolis-in.ztd.mbx.pay-gov@mail.mil).

#### \*8.0 DEPOSITS OF FUNDS (1108)

Under 31 U.S.C. § 3302, custodians of money (e.g., DOs) holding cash or negotiable instruments in excess of either current requirements or the amount authorized to be held at personal risk, whichever is less, must deposit them promptly in an authorized depository of the Treasury for credit to the Treasurer of the United States. This does not apply to instruments to be returned to remitters in the form received (e.g., deposits of unsuccessful bidders for the sale of government property). [All physically received, negotiable instrument deposit transactions must be processed through OTCnet and must cite a valid TAS and BETC at the time of the deposit.](#)

8.0.1. [Same Day Deposit.](#) Cash collected in and deposited prior to the end of the business day does not impact the DO Cash TAS. Deposited funds must cite the appropriate TAS/BETC that appears on the DD 1131.

8.0.2. [Deposit Operating Cash that is No Longer Needed.](#) Cash that is reflected on the DD 2657 (ending accountability and deposited) must cite the DO Cash TAS/BETC at the time of the deposit.

#### 8.1 Over the Counter Channel Application (OTCnet) (110801)

8.1.1. [Overview.](#) OTCnet is a web application that lets federal agencies manage and report all check and cash deposits in one place. OTCnet automates the over the counter deposit process, captures detailed accounting information, and makes the classification of Treasury collections easier. It allows agency users to report receipts through a secure web-based application rather than by using paper-based credit vouchers. There are “off-line” check capture capabilities for activities operating in locations with intermittent or unavailable bandwidth and communication. For more information about OTCnet, see Fiscal Service’s Over the Counter Channel Application ([OTCnet](#)).

8.1.2. [OTCnet Requirement.](#) All physically received, negotiable instrument deposit transactions must be processed through OTCnet. However, agencies unable to use OTCnet for deposits of negotiable instruments, due to contingency operations, must establish depository arrangements with US Bank’s Mail-In Treasury General Account (MITGA) through the FRB of St. Louis. This includes the deposit of commercial checks and U.S. Treasury checks. For more information on MITGA, see paragraph 8.3.

8.1.3. [Deposit of Cash and Negotiable Instruments.](#) When using the OTCnet Deposit Reporting function, the depositing agency may combine cash and negotiable instruments into one deposit.

8.1.4. Required Information in Block 6. At a minimum, Block 6 of the OTCnet deposit ticket must identify the depositing entity's name and location, the deposit preparer's name, email address, and the deposit preparer's phone number. The extent of additional information required in Block 6 is at the discretion of the DO.

8.1.5. Handling of Scanned Negotiable Instruments. After scanning items in OTCnet, the scanned negotiable instruments must be retained until it is verified that they reside within OTCnet and a good image is on file. This verification must take place within 14 calendar days. Items that have been scanned and are awaiting approval must be secured in an approved manner (see Chapter 3, section 0303). Once verified, the negotiable instruments must be destroyed.

## 8.2 Depositories (110802)

8.2.1. General Depositories. The TFM ([1 TFM 2-1000](#)) describes general depositories as commercial banks or other financial institutions designated specifically and authorized by the Treasury to maintain a demand account in its name to accept deposits to the TGA. These depositories are designated only where they are needed to receive deposits of public funds for credit to the TGA or to furnish cash to DOs for official disbursements. Making deposits to a TGA eliminates processing floats. If more than one bank has been authorized at a base, station, installation, or command, the local commander must give equal recognition when recommending designation of authorized financial institutions as TGA depositories. After Treasury approval, the commander should reasonably distribute official financial transactions among the approved depositories. Do not deposit public funds in a financial institution that has not been approved as a general depository except as shown in subparagraph 8.2.4, and do not mail deposits to a TGA without specific Treasury authorization to do so.

8.2.2. Requests to Deposit with or Change General Depository. DOs formally request authorization to deposit collections with a general depository, or change from one authorized depository to another, following guidance provided in the [1 TFM 6-9000](#). This requirement also includes those instances when on-base banks or credit union offices undergo changes such as acquisitions or mergers. Send the completed request, no later than 35 calendar days prior to desired deposit start date, to the DoD Banking and Credit Union Office via email: CCO-DoD-FINANCIAL-INSTITUTION-TGA@MAIL.MIL; fax: (216) 367-3388; or mail: DFAS Columbus, Attn: DFAS-JJF/CO, P.O. Box 182317, Columbus, OH 43218-2317, for review, coordination, and submission to the FRB St. Louis.

8.3.3. Need for General Depository Ceases to Exist. The DO advises DFAS-JJF/CO of the date on which the need for a general depository ceases to exist, and the reason therefore.

8.3.4. Limited Depositories. Limited depositories are designated only to receive deposits made by or on behalf of DOs for credit to their official non-symbol checking accounts maintained with such depositories. Limited depositories are not authorized to accept deposits for credit to the Treasury. Additional information on limited depository accounts can be found in Chapter 14.

### 8.3 Deposit Requirements (110803)

8.3.1. Frequency. Deposit all funds received for credit to the Treasury's account promptly.

8.3.1.1. Agencies must deposit receipts totaling \$5,000 or more on the same business day received prior to depository cutoff time. Deposits will be made as late as possible prior to the specified cutoff time to maximize daily deposit amounts. Collections totaling less than \$5,000 may be accumulated and deposited when the total reaches \$5,000. However, deposits must be made by Thursday of each week, regardless of the amount accumulated. For additional information, review the [1 TFM 1-2000, section 2055](#).

8.3.1.2. Mailed deposits must be sent to US Bank's MITGA, rather than to the FRB. The MITGA will be utilized when mailing a deposit of commercial checks, U.S. Treasury checks, and at the direction of the DO, cash. Before mailing deposits, the DO must establish depository arrangements with US Bank's MITGA through the FRB of St. Louis. Once approved, the MITGA will be established within OTCnet, and OTCnet will be used in conjunction with the MITGA. When using the MITGA during contingencies (when OTCnet is not available), the DO will contact the FRB of St. Louis to obtain permission to mail in a deposit. Once approved, the requestor will be provided a special form to complete and mail with the deposit. The former SF 215 (manually prepared deposit ticket) cannot be used.

8.3.1.3. For Navy vessels at sea, when daily mail service is not available, receipts consisting only of personal checks, money orders, and other negotiable instrument(s) may be accumulated up to \$5,000 before they must be deposited, provided that a deposit of all receipts on hand is made at least once each week. The DO prepares the deposits for mailing via registered mail and delivers them to the military post office onboard. The DO may not hold negotiable instruments to be deposited in his/her accountability pending arrival at the next scheduled port of call. Regardless of the total amount, the time interval since the last deposit, and the type of checks and negotiable instruments on hand, DOs on board Naval vessels make a deposit on the last regular business day before leaving port and on the first regular business day after returning to port for any at sea period in excess of 1 week.

### 8.3.2. U.S. Dollar Deposits

8.3.2.1. Negotiable Instruments. Deposit negotiable instruments (e.g., personal checks, traveler's checks, cash, and money orders) payable in U.S. dollars for credit to the Treasury's account at an approved general depository. DOs may deposit Treasury Checks at Military Banking Facilities overseas.

8.3.2.2. Checks Drawn on Foreign Banks in U.S. Dollars Payable Through a Bank in the United States. Checks drawn on foreign banks in U.S. dollars, payable through a bank in the United States, must have an American Bankers Association (ABA) routing and transit number (RTN) printed on the item and a magnetic ink character recognition encoded with a U.S. bank's ABA RTN at the bottom left side of the check. Group these checks on a single deposit ticket and deposit them as described in subparagraph 8.3.2.1.

#### 8.3.2.3. Manner of Deposit

8.3.2.3.1. In conjunction with OTCnet, deposit cash, checks, drafts, or money orders in person with an authorized TGA. If a deposit of cash in person is impracticable at an authorized TGA, the next most preferred method is by armored car. The least preferred method of depositing cash is by registered mail to the MITGA. Since the delivery confirmation may require an additional fee to request a copy of the signature record with return receipt, the DO must ensure that funding is available. Charge costs for a cashier's check or money order to operations and maintenance or working capital funds available to the DO. If cash must be mailed, then the cash must either be double wrapped or placed in an inner and outer container. Deposit damaged or mutilated currency in accordance with Chapter 3, paragraph 030507.

8.3.2.3.2. Agent officers or any authorized collection officer may make deposits on behalf of the DO when an approved designated depository is available. These individuals will use OTCnet for deposits.

8.3.2.3.3. When an approved designated depository is not available, agent officers or any authorized collecting officers may send cash to the DO by conversion to postal money order, bank money order, or cashier's check. Pay the fee for purchase of the cashier's check or postal/bank money order in cash at the time of purchase, and attach the receipt to the DD 1131. Deduct the cost of the cashier's check or postal/bank money order from the total amount collected. Show in the body of the DD 1131 the total amount collected, the fee for the cashier's check or postal/bank money order, the net collection, the bank, and the date of the money order.

8.3.3. Foreign Currency Deposit. See Chapter 13, subparagraphs 130602.D and E.

8.3.4. Reporting Large Deposits. To permit Fiscal Service to manage the government's cash position at each FRB, large deposits must be reported in advance of the transaction settlement date ([1 TFM 6-8500](#)). Per I TFM 6-8500, IPAC transactions are exempt from this reporting requirement.

8.3.5. Sorting and Listing of Instruments. Include with each completed deposit ticket an adding machine tape or other listing, unless other arrangements have been made with the depository. Sort all currency by denomination, face and top up, and deposit it in full packages (100 notes) of each denomination: \$1, \$2, \$5, \$10, \$20, \$50, and \$100. Prepare partial packages for each denomination not containing 100 notes. Secure each package (full or partial) with a currency strap bearing no printed denomination. DOs may obtain these straps from commercial suppliers. Legibly show the total dollar amount and DSSN on each package of currency on each strap. Roll coins whenever possible. Include with each completed deposit ticket an adding machine tape or other listing reflecting, by denomination, the total of currency and coin being deposited.

### 8.3.6. Endorsement of Negotiable Instruments

8.3.6.1. Area for Endorsements. Negotiable instruments must be endorsed on the back in the 1 1/2 inch space along the "trailing edge." When viewing the face (front) of a check, the trailing edge is the left hand edge. Normally, endorsements consist of the name of the payee and other identifying information required by the activity cashing the check. When the DO is preparing checks made payable to DoD, a DoD Component, another government agency, or the DO for deposit, the endorsement stamp required by subparagraph 8.3.6.3 appears in this space.

8.3.6.2. Multiple Endorsements. When multiple endorsements occur (or the space is used by a qualified endorsement such as for checks endorsed over to the DO by the payee) and the DO's endorsement requires space beyond the first 1 1/2 inches from the trailing edge, the DO uses the assigned space for subsequent endorsers (the back of the check in the upper right hand corner, no more than 3 inches from the right hand edge (leading edge) of the check). Do not refuse a check when the area assigned for the bank of first endorsement has been used. Such checks are acceptable but may not be processed by the banking system in the prescribed time frames under the Expedited Funds Availability Act ([12 U.S.C. § Chapter 41](#)), which could hamper collection action. Blue or black ink is preferable for endorsements.

8.3.6.3. Endorsement Requirements. Activities with stamps containing additional information may use them so long as the endorsement fits within the 1 1/2 inch space assigned for payee endorsers.

8.3.6.3.1. Negotiable Instruments Deposited with a General Depository. When using the Deposit Reporting function of OTCnet, all negotiable instruments in payment of an obligation due the United States, regardless of the payee to which drawn, must be endorsed on the back of the instrument in the 1 1/2 inch space along the trailing edge. Insert the component's name (e.g., Army, Navy, or DFAS) first and then insert the 4-digit disbursing activity's DSSN in the blank following "DSSN." These may be entered manually, mechanically, or be included as a part of the stamp itself. Enter, either manually or mechanically, the date on which the deposit is made in the blank following "Date" to correspond with the bank's business day. See subparagraph 8.3.1.

8.3.6.3.2. Conditional Endorsements. Do not accept checks with conditional endorsements, e.g., “Payment in Full.” Return these checks to the drawers and advise them that the DoD cannot legally accept them.

8.3.6.3.3. When Scanning Negotiable Instruments. If a depositing location is using the Check Capture function of OTCnet (i.e., check image scanning), there is no requirement for endorsing the negotiable instruments being scanned. The only time that a signature would be required is when scanning a Third-Party check. Acceptance of Third-Party checks is not recommended.

8.3.7. Record of Negotiable Instruments Deposited. DOs keep a complete record of negotiable instruments mailed or presented to depositaries. This should be accomplished using scanned or photocopied images of both sides of the instruments. If scanning or photocopying is not possible, prepare a typed or written list containing the source of the instrument, name of the financial institution on which drawn, type of instrument, serial number, payee, maker, endorser (name of person from whom received when other than drawer), date drawn, and amount. Copies of collection vouchers or other documents that show the same data are acceptable as the record of instruments. If an item is lost in banking channels, the DO must be held pecuniary liable if the maker of the instrument cannot be identified in order to contact that person for a replacement. Therefore, photocopied, scanned, or prepared lists of instruments deposited must be kept in active files until receipt of the deposit is confirmed in CIR.

8.3.8. Lost Negotiable Instruments. When a negotiable instrument is lost, whether before or after deposit, the DO adjusts the affected accounts and immediately requests that the maker of the instrument stop payment and replace it with a new check or other form of payment. DOs must inform members of their legal obligation for the check and offer them another opportunity to replace the check. If the military member refuses, the DO may, as with any other debt, pursue involuntary collection action against the military member’s pay.

8.3.9. Disposition of Funds on Transfer or Reassignment Without Relief. A DO that is transferred or reassigned without being relieved by another DO deposits all funds in his/her possession prior to the transfer or reassignment. This includes all funds held by deputies, agents, and/or cashiers, including imprest funds and change funds. Report each deposit made during the period including the final deposit.

#### 8.4 Deposit Transactions (110804)

8.4.1. Distribution and Disposition. Send a copy of the deposit ticket to the depositary with the funds and/or negotiable instruments being deposited. The DO retains a copy to assure that all deposits are in fact confirmed. The DO follows up on unconfirmed deposits as required by paragraph 11.4. In instances where a deposit is not confirmed in the same month as mailed, refer to Chapter 15, section 1507. The supporting DFAS site may also require the DO to submit a copy in support of the reported deposit activity for that month.

8.4.2. Accounting for Deposits. After netting out all debit vouchers (except those used for EFT) to be accounted for in the current business day, enter the total of all the deposits to be accounted for during the business day (including deposit tickets in OTCnet) on line 4.2A of the DD 2657. At the end of the accounting period (month), use a record of each deposit ticket (and debit voucher, including those for EFT) applicable to only the current accounting period to prepare the detailed deposit activity report to support the Standard Form (SF) 1219. The total of the detailed deposit activity report must agree with the total reported on line 4.2 on the face of the SF 1219 and with the total reported in Column 5, Section II, Part B, on the reverse of the SF 1219.

#### 8.4.3. Debit Vouchers In Relation to Deposits

8.4.3.1. General. When a check is returned unpaid to the depository with which the check was originally deposited, the depository may process a debit voucher to charge the depositing DSSN. The depository may also prepare a debit voucher charging the depositing DSSN whenever a check is lost after deposit. Debit vouchers may also be issued by depositories and by the Treasury to establish other valid charges against a DO's account, e.g., exchange fees and other collection charges assessed in connection with foreign instruments deposited. The DO immediately records all debit vouchers received on the DD 2657. Include the debit vouchers in the SF 1219 for the month in which received.

#### 8.4.3.2. Action by the DO

8.4.3.2.1. Non-tactical Disbursing Activities. For debit vouchers received in connection with returned unpaid checks, see Chapter 4, section 0404 for guidance on processing dishonored checks. For debit vouchers received in connection with checks lost after deposit, the DO follows subparagraph 8.3.8. Process new checks received pursuant to action taken by the DO as a new deposit. Process charges for handling foreign checks as prescribed in Chapter 13, paragraph 1304.

8.4.3.2.2. Tactical Disbursing Activities. DOs must comply with debit vouchers received from a depository whenever any one of the following conditions exist: the deposit (which included the lost or dishonored check) was made during the incumbency of the current DO; the deposit (which included the lost or dishonored check) was made during the incumbency of a DO whose account is being subjected to the 90 day local retention period; or the maker or endorser of the lost or dishonored check is locally available for collection action. If none of the foregoing conditions apply, then the current DO forwards the debit voucher, by cover letter, to the activity designated to settle the former DO's account. In addition, either the original dishonored check as returned by the depository or, in the case of lost checks, a copy of the relevant abstract from the listing of instruments deposited, should be sent. Include in the cover letter the most recent information concerning the present location and status of the maker or endorser of the check in question. Send a copy of the cover letter to the issuing depository.

8.4.3.3. Distribution. The DO sends a copy to support the monthly financial reports and retains a copy with their retained financial records.

8.4.3.4. Accounting. Account for debit vouchers as negative deposits. As noted in subparagraph 110804.B, net all debit vouchers (except those used for EFT) in the current business day against all deposits for that business day, and record the total on line 4.2A of the DD 2657. Record EFT debit vouchers on line 4.2B. At the end of the accounting period (month), use the records of each debit voucher (including EFT debit vouchers) and each deposit ticket applicable to only the current accounting period to prepare the detailed deposit activity report to support Section II, Part B of the SF 1219. The total of the detailed deposit activity report must agree with the total reported on line 4.2 on the face of the SF 1219 and with the total reported in Column (5), Section II, Part B, on the reverse of the SF 1219.

## 9.0 INTERNATIONAL TREASURY SERVICES (ITS.GOV) (1109)

[International Treasury Services \(ITS.gov\)](#) is the Treasury's comprehensive international payment and collection system. It is the preferred payment method for foreign currency transactions. DOs are encouraged to use ITS.gov to the maximum extent possible wherever the infrastructure will support its use. Prior to using ITS.gov, a Memorandum of Understanding between the activity and the Fiscal Service is required. Activities interested in using ITS.gov should contact Fiscal Service. ITS.gov contact information can be found at the Fiscal Service's website. See Chapter 13, section [1306](#) for guidance on foreign currency payments.

## 10.0 PAYMENT INFORMATION REPOSITORY (PIR) (1110)

### 10.1 Overview (111001)

PIR is a web-based, centralized repository of payment related data. PIR increases the transparency of government payments and provides agencies with the ability to view summary and/or detail payment information as well as data analysis. PIR has replaced CASHLINK II for payment voucher information. For more information on PIR, see Fiscal Service's [Payment Information Repository \(PIR\)](#). Agencies that use the online application within CARS for interagency billings and payments for goods and services will no longer receive a statement of difference report (formerly known as the Financial Management Service (FMS) Form 6652) and are no longer required to follow the guidance related to the FMS 6652.

### \*10.2 Standard Reporting Format (SRF) (111002)

The SRF is an input file specification that defines data elements and business rules that must be used for reporting payment and associated Treasury Account Symbol/BETC information to PIR. When fully implemented, DoD agencies will be required to use the SRF to submit detailed payment and accounting data to PIR. More information on the format specification can be found at Fiscal Service's [Standard Reporting Format \(SRF\)](#). Agencies must submit the PIR/SRF one day after the date of payment. Agencies that do not submit the SRF within one day following the date of payment by 6:00 p.m. (Eastern Time) will default in CARS to the default TAS/BETC for payment transactions. Date of payment is further defined as:

10.2.1. Check Payments. The issue date of the check (date inscribed on the check).

10.2.2. ACH Payments. The settlement of the ACH transaction found in the acknowledgement received from the FRB's ACH.

10.2.3. Wire and Treasury's International Treasury Services ([ITS.gov](https://www.its.gov)) Payments. The value date specified in the payment request.

### 10.3 Access (111003)

To gain access to the PIR, see [\*Fiscal Service's PIR, Getting Started\*](#).

### 10.4 Reconciliation of EFT Transactions (111004)

10.4.1. Confirm PIR. EFT payment transactions are recorded using debit vouchers. DOs must reconcile their EFT payment data (i.e., EFT debit vouchers) with PIR. [If the purpose of an EFT transaction cannot be determined, account for it in suspense accounts \\*\\*F3875, \\*\\*X6500, \\*\\*X6501, or \\*\\*X6276, as appropriate and attempt to clear the deposit within 60 calendar days of the transaction \(see 1 TFM 2-5135\).](#)

#### 10.4.2. Discrepancy - Over or Understated Debit Vouchers

10.4.2.1. A difference occurs when a debit voucher amount is overstated or understated.

10.4.2.1.1. An overstated debit voucher exists when the amount entered exceeds the value of the check or EFT payments it covers.

10.4.2.1.2. An understated debit voucher exists when the amount entered is less than the value of the check or EFT payments it covers.

### 11.0 COLLECTIONS INFORMATION REPOSITORY (CIR) (1111)

#### 11.1 Overview (111101)

[\*Collection Information Repository \(CIR\)\*](#) is a web-based, centralized repository of detailed deposit and collection transaction data that has been collected from all of the Treasury's collection systems and settlement mechanisms into a single system. CIR provides the ability for agencies to view summary and/or detail level data, extract and analyze data in various scenarios, and produce flexible, standardized reports based on agencies' needs. CIR has replaced CASHLINK II for deposit reconciliation.

## 11.2 Requirement (111102)

DOs must confirm deposits using CIR. For guidance on deposit reconciliation, see paragraphs 111103 and 111104.

## \*11.3 Deposit Reconciliation – General (111103)

\* 11.3.1. DO's or their designee(s) must reconcile DoD financial system data daily with CARS and maintain either a manual or a mechanized subsidiary record of all debit voucher differences. If the purpose of a deposit cannot be determined at the time of transaction (point of origin), account for it in suspense accounts \*\*F3875, \*\*X6500, \*\*X6501, or \*\*X6276, as appropriate and attempt to clear the deposit within 60 calendar days of the date of transaction (see 1 TFM 2-5135). The DO or designee(s) review the record of differences at least weekly to ensure these differences are cleared. Retain the evidentiary documentation supporting the review process for a retention period following the guidance in Chapter 15, paragraph 150802. Consider items not reconciled within 60 calendar days of the transaction and have been validated as meeting the criteria of an actual physical loss of funds as a loss or overage of funds as prescribed in Chapter 6, section 0608.

\* 11.3.2. CARS reporters must ensure that there are no existing uncleared statement of differences prior to becoming a "Full" CARS daily reporter. Agencies that use online application within CARS for interagency billings and payments for goods and services will no longer receive a statement of difference report (formerly known as the Financial Management Service (FMS) Form 6652) and are no longer required to follow the guidance related to the FMS 6652. The Treasury compares the value of deposits and debit vouchers reported by DOs activity reports to the value of deposits and debit vouchers reported through CIR.

11.3.3. Consider all differences that have not been reconciled within 60 days of the transaction, and that have been validated as meeting the criteria of an actual physical loss of funds, as a loss or overage of funds with the associated pecuniary liability as prescribed in Chapter 6, section 0608. Do not consider timing differences and/or reporting errors as a loss of funds, but the DFAS site must pursue aggressive action to clear the differences with appropriate offsetting transactions, via departmental level, Treasury, and/or agency within 60 days of the offsetting transaction.

11.3.4. DOs must strictly adhere to the preparation requirements for the deposit tickets and debit vouchers as described in paragraph 8.4. It is also imperative that DOs report promptly and properly all deposit tickets and debit vouchers.

11.3.5. Once deposit tickets have been released to a depository, the documents cannot be recalled, corrected, or resubmitted. In addition, the Treasury prescribes specific instructions to all approved depositories regarding adjustments of errors discovered subsequent to the day of deposit. DOs must take aggressive action to reconcile and/or clear all differences as rapidly as possible after notification by the Treasury that a difference exists.

11.3.6. To maintain control, the DO or the DO's designee(s) monitor deposit activity daily using CIR and maintain either a manual or mechanized subsidiary record of all deposit differences. The DO or the DO's designee(s) review the record of differences at least weekly to ensure these differences are cleared. Retain the evidentiary documentation supporting the review process for a retention period following the guidance in Chapter 15, paragraph 150802. These records need not be certified. Also, each time there is a change of DOs, the incoming DO validates the unresolved differences. If the departing DO cannot provide the incumbent DO with documentation supporting the unresolved items, the departing DO processes the unsupported items as a loss or overage of funds (see Chapter 6, section 0604).

#### 11.4 Deposit Reconciliation – Discrepancies (111104)

##### 11.4.1. Over or Understated Deposit Tickets

11.4.1.1. A difference occurs when a deposit ticket amount is overstated or understated.

11.4.1.1.1. An overstated deposit ticket exists when the amount entered exceeds the amount of cash or negotiable instruments submitted with it.

11.4.1.1.2. An understated deposit ticket exists when the amount entered is less than the amount of cash or negotiable instruments submitted with it.

11.4.1.2. Treasury regulations for depositories do not permit changing the amount on a deposit ticket or debit voucher. They require the depository to confirm a deposit as presented and immediately issue either a debit voucher for the amount of the overage or an additional deposit ticket for the amount of the shortage. In either situation, the DO should discover an overage of funds for an overstated deposit or a loss of funds for an understated deposit upon the first balancing after the deposit was presented or mailed to the depository and recorded on the DD 2657. Treasury regulations also require the depository to confirm a debit voucher as presented and immediately issue a deposit ticket for the amount of the overage or an additional debit voucher for the amount of the shortage. In either of these situations, the DO should discover an overage of funds for an overstated debit voucher or a loss of funds for an understated debit voucher upon the first balancing after the debit voucher was presented or mailed to the depository and recorded on the DD 2657.

11.4.1.3. Daily monitoring of deposit activity using CIR enables early detection of these differences. Upon receipt of a copy of an adjusting deposit ticket or debit voucher, the DO records the document on the DD 2657. If actions required by Chapter 6, section 0608 were taken to record the overage or shortage of funds upon discovery, receipt of the adjusting deposit ticket or debit voucher from the depository enables a more rapid settlement of the discrepancy in the DO's accountability. If an overage or shortage of funds was not discovered before receipt of the adjusting deposit ticket or debit voucher, and recording the document creates an overage or shortage, then the DO processes the overage or shortage as prescribed in Chapter 6, paragraph 060802.

11.4.2. Deposits Not Reported by Depositories. Deposit tickets that have been reported by DOs but not by the depository do not appear in CIR. Daily monitoring of CIR alerts the DO to possible deposit differences, when a deposit does not appear in the system after a reasonable period of time, based on whether the deposit was presented to the depository in person or by mail.

11.4.2.1. If the depository does not confirm the deposit within a reasonable period of time for deposits presented by mail, the DO initiates follow-up action with the depository to determine the status of the deposit. A reasonable period of time is considered to be the normal mailing time from the date mailed to the depository until the date the deposit is confirmed, based on past experience. Tactical DOs consider unit movement schedules and locations when the deposit was mailed. In any event, initiate follow-up action within 30 days from the date of mailing a deposit.

11.4.2.2. Include with a follow-up request to a depository, a copy of the applicable deposit ticket and a description or copies of the instruments included in a deposit. The depository provides confirmation information to the DO in response to the follow-up request. If the depository acknowledges receipt of the deposit but refuses to report the transaction to the Treasury, the DO provides written notification, with copies of all correspondence and documents involved, to DFAS-JJF/CO, which will then pursue resolution of the issue through the Treasury and provide the DO written instructions on additional actions to be taken.

11.4.2.3. If the follow-up action does not result in confirmation of the deposit or the depository notifies the DO that the deposit was not received, the DO will reverse the deposit transaction in the current month's business. The DO prepares and processes an Optional Form 1017-G, Journal Voucher (JV), to document the reversal. Record the JV on the DD 2657, line 4.2A as a negative deposit and on line 7.3 as a loss of funds, and include it on the corresponding lines of the SF 1219 at the end of the month. Describe the deposit reversal in Section II, Part B, Column (3) of the SF 1219, and indicate the month and year the deposit was initially reported to the Treasury. Show the amount of the reversed deposit as negative or bracketed. Reverse the deposit in the current month's detailed deposit activity report, using the actual deposit number, month, and year of the deposit (as initially reported to the Treasury). Show the amount as negative or bracketed.

11.4.2.4. The actions in subparagraph 11.4.2.3 will remove the deposit from the detailed deposit activity report, and record the deposit as a loss of funds. Attach a copy of the follow-up memorandum to the depository, and the depository's response, as supporting documents to the JV. Report and process the resulting loss of funds as prescribed in Chapter 6, section 0603. If negotiable instruments were included in the lost deposit, follow subparagraph 8.3.8 for those instruments.

#### 11.4.3 Debit Vouchers Not Reported by DOs

11.4.3.1. Debit vouchers are generally prepared only by depositories as adjustments to erroneous amounts on deposit tickets and debit vouchers to return negotiable instruments that are dishonored, or to adjust deposit tickets for counterfeit currency. All debit vouchers prepared by depositories are reported automatically to the Treasury. Unless the DSSN

appearing on the debit voucher is not the DSSN of the DO receiving the document, the DO records the debit voucher in his/her accountability upon receipt of a copy, and includes it in the detailed deposit activity report. This requirement applies regardless of whether the debit voucher is deemed erroneous or the reason given for the charge needs further clarification.

11.4.3.2. Daily monitoring of CIR alerts the DO that a depository has issued a debit voucher. The DO must confirm the information in CIR and include the debit voucher on DD 2657 and detailed deposit activity report during the month of receipt. The DO ensures the debit voucher is reported using the month and year of issue (as reported by the depository in CIR), not the current month and year in which the debit voucher is being recorded and reported. Section II, Part B, Column (3) of the SF 1219 must indicate the actual month and year of the debit voucher as reported by the depository. The debit voucher also must be included in the detailed deposit activity report and must be reported using the actual month and year the debit voucher was issued (as reported by the depository).

11.4.3.3. In some instances, debit vouchers for electronic payments through the Federal Reserve System are prepared by the paying DO and submitted to the depository with the payment file. Include these debit vouchers on the DD 2657, SF 1219, and detailed deposit activity report for the month of payment. Failure to include a debit voucher electronic payment transaction on the DD 2657, SF 1219, or the detailed deposit activity report will create an out-of-balance condition on the DD 2657 and SF 1219, unless the DO also failed to record the disbursement. For example, if a DO processes and includes a disbursement voucher on DD 2657 and SF 1219, prepares and submits a debit voucher to the depository with the electronic payment file, but does not include the debit voucher on the DD 2657, SF 1219, and detailed deposit activity report, then the DD 2657 and SF 1219 will not balance. Proper balancing procedures preclude this situation.

11.4.3.4. If the transaction occurred near the end of the month, and the DO cannot process and report the transaction in the transaction month, then a deposit difference will occur. To correct this difference, the DO must obtain the transaction documentation and process both the payment and the debit voucher on the DD 2657, SF 1219, and detailed deposit activity report during the current month. The DO must ensure the reporting of debit vouchers using the month and year the payment was actually made (as reported by the depository in CIR), not the month and year in which the debit voucher is being reported. Include the debit voucher in the detailed deposit activity report and report it using the actual month and year the debit voucher was reported by the depository.

11.4.4. Debit Voucher Not Reported by Depositories. Debit vouchers that have been reported by the DO but not by the depository will cause a difference to the depositories. The most frequent cause of this difference occurs when a depository receives a debit voucher and payment file for payment by EFT, but rather than processing and reporting the debit voucher given by the DO, prepares a new debit voucher and reports it to the Treasury. The depository provides the DO with the copies of the debit voucher it prepared and reported.

11.4.4.1. Daily monitoring of CIR alerts the DO that the depository has issued a new debit voucher. DOs using depositories that routinely process debit vouchers in this manner should contact the depository in writing. The DO should request an explanation for the actions

and that the depository processes the debit vouchers given by the DO with the payment files. If the depository refuses to process the debit vouchers given by the DO, the DO must then provide written notification with copies of all correspondence and documents to DFAS-JJF/CO, which will pursue resolution of the issue through the Treasury and provide the DO written instructions on any additional actions to be taken.

11.4.4.2. To prevent this type of difference from **occurring**, the DO reports the debit voucher transaction on the detailed deposit activity report as reported by the depository. If the DO receives the copy of the debit voucher prepared by the depository before the end of the month in which the transaction occurred, he/she reports the debit voucher prepared by the depository rather than the one prepared by the DO. The DO keeps the copy of the debit voucher he/she prepared with the copy of the debit voucher the depository prepared. If the depository routinely continues to prepare new debit vouchers, include these with the written notification.

11.4.4.3. To clear this type of difference, the DO must reverse the DO's debit voucher transaction from the current month's detailed deposit activity report and reenter the debit voucher transaction the depository reported, using the actual debit voucher number, month and year as initially reported to the Treasury. Enter the debit voucher prepared and reported by the depository exactly as reported by the depository. Also, describe the debit voucher reversal in Section II, Part B, Column (3) of the SF 1219, and indicate the month and year the debit voucher was initially reported to the Treasury. Also, describe the debit voucher prepared and reported by the depository in Section II, Part B, Column (3) of the SF 1219, and indicate the month and year the debit voucher was reported by the depository. Since these actions net to a zero, they should not impact the DO's pecuniary liability.