

VOLUME 5, CHAPTER 13: “FOREIGN DISBURSING OPERATIONS”

SUMMARY OF MAJOR CHANGES

All changes are in **blue font**.

Substantive revisions are identified 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 January 2011 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	†As part of the Under Secretary of Defense Comptroller) Volume 5 streamline initiative, this revision incorporated the archived versions of Chapter 12 (April 2011), Chapter 13 (January 2011), Chapter 16 (February 2011), and relevant parts of Volume 12, Chapter 29 (November 2008) which was cancelled.	Revision
All	Changed chapter title to "Foreign Disbursing Operations."	Revision
All	Updated the chapter to include administrative and hyperlinks updates.	Revision
All	Incorporated and updated information from the former Chapter 12.	Addition
120102 (Previous Version)	Deleted information on reimbursable expenses. No longer required.	Deletion
120202 (Previous Version)	Removed the foreign currency for contracts information. Foreign currency payments for contracts are detailed in each contract agreement.	Deletion
120203 (Previous Version)	Removed procedural information.	Deletion
120403 (Previous Version)	Deleted disbursing agents of the Office of the Secretary of Defense. No longer a requirement.	Deletion
120404.B.1.c (Previous Version)	Deleted information on United State dollars in exchange for United States Treasury checks. This information is provided in Chapter 4.	Deletion
1301	Added a General section to provide an overview and Purpose.	Addition

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
130201 (Previous Version)	Removed transfer of funds on relief of disbursing officer information. This information is in Chapters 2 and 14.	Deletion
130306 (Previous Version)	Deleted information on Deposits to the Credit of the United States Treasury. This information is provided in the Treasury Financial Manual Volume 1, Part 5, Chapter 6000.	Deletion
1307	Incorporated information from the former Chapter 16.	Addition
160202 (Previous Version)	Deleted the requirement for disbursing officers to submit Quarterly Reports to the Department of Commerce.	Deletion
Figure 13-1	Incorporated from the former Chapter 12.	Addition
Figure 13-6	Incorporated from the former Chapter 16.	Addition

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CHAPTER 13

*FOREIGN DISBURSING OPERATIONS

*1301 GENERAL

130101. Overview

A. In areas where use of United States (U.S.) currency is prohibited or where diplomatic or financial considerations make its use inadvisable, the senior commander consults with other U.S. military commanders and the U.S. Department of State (DoS) representatives in the area to determine the local government's foreign currency control regulations. The commander issues instructions that conform to DoS procedures and local government foreign currency control regulations. Disbursing Officers (DOs) must follow disbursing policy set forth in Chapter 9 concerning voucher certification and substantiation prior to executing payment transactions, including advances, equitable claims, and payments to third parties.

B. The same policies governing domestic disbursements also are applicable to foreign currency disbursements. Except in areas where U.S. diplomatic or financial relations make the use of the U.S. dollar (USD) inadvisable, U.S. currency or Treasury checks are the only media of exchange for:

1. Basic salaries, special and incentive pay, and allowances (e.g., subsistence and housing) in USD for U.S. military personnel stationed overseas;
2. Salaries and differentials to similarly-situated U.S. citizen civilian personnel in fulfillment of U.S. contractual or statutory obligations in USDs;
3. Per diem;
4. Travel expenses; and
5. Purchases from appropriated and non-appropriated fund activities located in the foreign currency area.

C. A disbursement voucher may constitute a payment voucher and a collection voucher for transactions involving setoff or deduction to recover an amount owed by the payee, with a net amount due disbursed to the payee. All disbursements must be supported by formal disbursement vouchers (see Chapter 9). Requirements established in Volume 1, Chapter 9, Financial Records Retention, apply, to include those audit readiness and contingency operations.

D. International Treasury Services (ITS.gov) is the preferred method to issue foreign currency payments electronically and to issue international USD wire transfer payments. ITS.gov is the comprehensive international payment and collection system for the Department of Treasury (Treasury).

130102. Purpose

This chapter addresses disbursing policy in the context of foreign disbursing and cash management operations prescribed in Treasury Financial Manual (TFM) Volume 1, Part 4, [Chapter 8000](#); Part 4A, [Chapter 3000](#); and Part 5, [Chapter 6000](#). Policy includes exchange of USD for foreign currency, foreign exchange transactions, currency rate of exchange, disposition of foreign currency and negotiable instruments, records and reports, and contingency operations in foreign territories.

1302 EXCHANGE OF U.S. DOLLARS FOR FOREIGN CURRENCY

130201. Guidelines

When it is not practical to use ITS.gov or if the DO does not have a limited depository account (LDA) in the currency to be paid, the DO may need to acquire foreign currency. An appointed DO may obtain foreign currency for official purposes such as making payments to U.S. Government creditors and exchanging foreign currency or other negotiable instruments for which the DO is accountable. Foreign currency obtained may be held as currency or in an LDA (see Chapter 14). DOs may obtain foreign currency using sources identified in paragraph 130202 and from sources authorized by the government of the country concerned. The process by which one currency is exchanged for another is foreign exchange. When DOs exchange USDs for foreign currencies, the following guidelines apply to exchanges:

A. Purchase is made for “spot” delivery (normally the purchase of foreign currencies for delivery within two business days).

B. Exchange at the time the foreign currency is needed for immediate funding requirements. DOs should ensure that payment is made for foreign currency purchases on the value date.

C. Speculation in foreign currency is prohibited.

D. Any change in program costs resulting from the use of foreign currencies in international financial arrangements is the responsibility of the involved U.S. or foreign program agencies.

E. Foreign currency is not purchased by forward contracts directly from foreign governments, private firms, or individuals at a negotiated rate without prior Treasury authorization. Submit [such](#) requests for authorization through the Defense Finance and Accounting Service (DFAS) Code ZPFA/IN (Disbursing Policy Division, DFAS-Indianapolis, 8899 E. 56th Street, Indianapolis, IN 46249-0500) (disbursing-debtmanagementpolicy@mail.mil).

F. Limit DO foreign currency holdings in a safe, vault, or an LDA to 5 to 7 business days requirement, unless an increase has been authorized in writing by the DFAS-ZPFA/IN. This includes foreign currency held by all authorized deputies, agents, and cashiers within the disbursing office and at remote locations. [Limiting foreign currency holdings may minimize deficiencies](#) due to rate devaluations and avoid premature drawdown from the Treasury.

G. Acquire foreign coins only to fill specific needs or when received as change incident to an official cash payment in foreign funds. Coins present problems due to weight, storage, transportation, and disposition.

H. Prepare foreign currency reports following [section 1307](#).

130202. U.S. Government Sources

Procurement of foreign currency from U.S. Government or commercial sources requires a certificate or statement showing the amount purchased, the rate of exchange, the amount of USDs paid, the date, and the source/seller. Include the certificate or statement with the monthly financial reports. DOs may use ITS.gov to acquire foreign currency via electronic funds transfer. Each exchange voucher must be submitted in support of the accounts of the disbursing office and attached to monthly [Standard Form \(SF\) 1219](#), Statement of Accountability. A DO may also obtain foreign currency from the following sources:

A. [U.S. Government Sources](#). Other [U.S. government sources](#) include DoD DOs, U.S. DOs (USDOS), cashiers at American Embassies, or the Federal Reserve Bank of New York (FRBNY). Normally, the DO draws an exchange-for-cash check (see Chapter 4) and endorses it to the order of the officer furnishing the foreign exchange. When foreign currency is purchased from a USDO or an American Embassy cashier, the check may be issued to the American Embassy. When foreign currency is purchased from the FRBNY, the DO makes appropriate shipping arrangements.

B. [DoD Military Banking Facility \(MBF\)](#). [When possible, DOs can purchase foreign currency from an MBF](#) (includes funds for LDAs) using an exchange-for-cash Treasury check (see Chapter 4).

130203. Currency Custody Accounts

Absent ready-access to the Federal Reserve System, the DO can request approval from Treasury to establish currency custody LDAs with the government's contractor-operated MBF. The DO must settle daily with the MBF. The currency custody LDA assures the availability of U.S. currency to support the dollar economy created by U.S. Armed Forces stationed overseas. Report the balance held in custody accounts on line 6.4 (Custody or Contingency Cash) of the DoD [\(DD\) Form 2657](#), Daily Statement of Accountability, and the SF 1219 (see Chapter 15).

130204. Purchase from Individuals and Collections from Foreign Vendors

Subject to the provisions outlined in subparagraph 130303.D, DOs may purchase foreign currency from individuals. DOs may also receive foreign currencies either as refunds from foreign vendors or in payment for sale of excess foreign property in accordance with the Defense Materiel Disposition Manual, [DoD 4160.21-M](#). Foreign currency sales receipts from post offices, exchanges, commissaries, and other non-appropriated fund activities are not collections by the disbursing office, but may be acquired by purchase only to the extent necessary to acquire foreign exchange for the LDA.

1303 FOREIGN EXCHANGE TRANSACTIONS

130301. International and Foreign Exchange

International and foreign exchange includes policy on the use of U.S. Government funds in international programs and on foreign exchange and interest costs to the Treasury. These include transactions with foreign countries and international organizations involved with bilateral or multilateral programs, e.g., procurement, research, co-development, co-production, grants or other transactions that require the:

- A. Outlay of USDs or foreign currencies,
- B. Inflow of funds from foreign countries, and/or
- C. Exchange of USDs and foreign currencies.

130302. Policies for Financial Transactions

A. In addition to the foreign exchange guidelines provided in paragraph 130201, the following general policies apply to financial transactions:

- 1. Withdraw dollars from the Treasury on behalf of any program management organization only as needed. Base withdrawal on the recipient organization's funding requirements to carry out the project.
- 2. Negotiate to provide for dollar outlays as close as possible to their need for current program expenditure to support international programs requiring U.S. funding.
- 3. Obtain the U.S. Government share of funding required to support a program by appropriation, with no part of this funding derived from interest earned on U.S. contributions. DoD Components are responsible to ensure that any interest earned is deposited promptly to the Treasury General Fund Receipt Account 3220 (General Fund Proprietary Receipts, Not Otherwise Classified, All Other).

4. Consider the fiscal needs and funding policy issues or concerns of each participating country or international organization, provided that U.S. Government cash management policies are not compromised.

5. Arrange to accommodate the financial policies of each participating country or organization to the maximum extent feasible. Except for arrangements entered into for the sole purpose of implementing U.S. international monetary policy, retain USDs in the Treasury until actually required for immediate disbursement, to minimize interest cost on the public debt.

6. Act on requests from a foreign country or international organization for the temporary deposit and safekeeping of U.S. dollars in trust in a Treasury account based on their own merit. Base the decision on the reason for the request, the specific financial arrangements proposed, and the relevant U.S. Government political and general financial considerations. All requests must include a recommendation from the local commander and be submitted to the Department of the Treasury, Financial Management Service (FMS), Cash Management Policy and Planning Division, Liberty Center (Room 521C), Washington, D.C. 20227 through the Defense Finance and Accounting Service (DFAS) Code ZPFA/IN (Disbursing Policy Division, DFAS-Indianapolis, 8899 E. 56th Street, Indianapolis, IN 46249-0500) (disbursing-debtmanagementpolicy@mail.mil).

7. DoD Components may not invest funds on behalf of a foreign country or international organization when receipt of such funds serves as a basis for creating contract obligation authority for the DoD Component or other U.S. Government department or agency.

8. Ensure that application of these general policies in negotiations with foreign countries and international organizations are not compromised by DoD Component administrative practices.

9. Process requests for exceptions in accordance with Chapter 1.

B. Specific Policies. See Volume 12, Chapter 9, for financial policies related to international agreements.

130303. Accommodation Exchange Services

A. Definition. Accommodation exchange services are the exchange of U.S. Treasury checks or USD instruments for USDs (i.e., check cashing), the selling of foreign currencies in exchange for USDs or dollar instruments for the convenience of authorized personnel, and the repurchase of foreign currencies with USDs or dollar instruments when and where permitted. See Chapter 4 for accommodation exchange services to include limitation, personnel eligibility, and the required internal controls for exchanging cash for negotiable instruments.

B. Authorization

1. Commanders may approve and implement accommodation exchange services only after determining that:

a. Contract MBFs, other on-base financial institutions, exchanges, commissaries, or U.S. Postal facilities cannot fulfill the needs of DoD personnel adequately;

b. The DO or agent has an immediate need for the foreign currency repurchased; or

c. Resources are available to provide these services without impacting levels of other financial services (e.g., primary disbursing and related functions).

2. When satisfactory local banking facilities are not available to conduct accommodation transactions; and after the establishment of written check cashing policy approved by the commander, DOs may use official funds to:

a. Disburse foreign currency for checks, drafts, bills of exchange, and other instruments payable in USDs, and

b. Cash foreign currency checks drawn by accountable officers of the U.S. on non-symbol checking accounts for the same currency in which drawn, when the currency is needed by the officer for official purposes.

C. Sale of Foreign Currency to Individuals. MBFs normally make accommodation exchanges of foreign currency at installations served under the DoD MBF contract. In countries served by these MBFs, DOs providing accommodation exchange services obtain needed foreign currencies from the MBF and make those exchanges at the accommodation rate. DoD personnel may not receive accommodation exchange service from DoS or Treasury DOs in areas where those services are provided by DoD DOs, but DoD personnel assigned or attached to U.S. embassy duty may use available embassy cashier services. DOs, agents, and cashiers making these accommodation exchanges maintain the DD Form 2664, Currency Exchange Record, Record of Individual Exchange Transactions, daily to ensure implementation of the authorities and limitations in section 1307 (see Figure 13-1).

D. Purchase of Foreign Currency from Individuals. By policy, DOs are prohibited from purchasing foreign currency from individuals in areas served by MBFs under DoD contract. In areas not served by contract MBFs, DOs may purchase foreign currency or instruments payable in foreign currency in exchange for USDs or dollar instruments from individuals before their departure on home leave or completion of their foreign assignment. When purchasing foreign currency or instruments payable in foreign currency for USDs or dollar instruments, DOs must comply with the following:

1. If the amount of foreign currency presented does not exceed the sum of the individual's salary and allowances for two biweekly pay periods, it may be purchased without requiring documentation of any kind from the departing individual;
2. If the amount of foreign currency presented exceeds the amount authorized in subparagraph 130303.D.1, the requestor must submit a written application to the commander for approval of the purchase. The application must include a statement describing the source of the currency and a statement affirming that none of the currency was acquired in violation of local regulations or exchange control laws of the country concerned;
3. The purchase of the foreign currency with USDs must consider the DO's immediate foreign currency disbursing requirements (see section 1302);
4. Purchase the foreign currency at the prevailing market rate;
5. Keep a DD 2664 daily to reflect the amount and source of purchased funds; and
6. A DO may suspend making accommodation exchanges for such time and to such extent necessary to carry out his or her other responsibilities.

E. Safe Haven Posts. The appropriate commander establishes foreign currency accommodation exchange services for dependents of DoD personnel at safe haven areas to which they were ordered by competent authority in the event of emergency evacuation. These services must be consistent with the amount of exchanges authorized for dependents of U.S. personnel employed by other U.S. Government agencies.

1304 CURRENCY RATE OF EXCHANGE

130401. Prevailing Rate of Exchange

A. Definition. The prevailing rate of exchange is the most favorable rate legally available to the U.S. Government for acquisition of foreign currencies for official disbursement and accommodation exchange transactions. If the currency of any one country is obtained from more than one of the sources provided in paragraph 130202, maintain separate accountability for exchange rate adjustments.

B. Rate of Exchange. Unless otherwise authorized by the Treasury, carry all foreign currency, including amounts held in LDAs, at the prevailing rate of exchange. Foreign currencies acquired without purchase includes burdensharing contributions made in host nation currency and held in accounts authorized by sections 2350j and 2350k of Title 10, U.S. Code (10 U.S.C. 2350j and 2350k). Compute disbursements for official expenditures or accommodation exchange transactions to avoid gains or deficiencies due to fluctuations in rates of exchange to the extent possible. If there is no rate of exchange established by agreement between the U.S. Government and the foreign country or where no MBF is available, conduct

foreign currency transactions at the prevailing rate using the rate of exchange of the currency on hand as determined by the method outlined in paragraph 130402.

C. Non-Government Sources. When purchasing from sources other than the U.S. Government, DOs should acquire foreign exchange at the best rate available (e.g., fixed or non-fixed legal rate) in which the exchange is being expended. Follow DoS regulations or the currency control laws of the country where the currency will be used. Draw Treasury checks to obtain foreign exchange from commercial sources in favor of the DO and endorse them to the order of the banking institution or commercial enterprise providing the funds.

1. Fixed Legal Rate. The best legal rate to the U.S. Government, depending upon the circumstances in each country, may be any officially established buying rate for dollars, including diplomatic rates or special rates established by agreement with the authorities of the country. When this type of fixed rate prevails, agencies should purchase foreign exchange at the best applicable rates to the particular transaction. They may affect purchases at fixed legal rates without the formality of obtaining bids, but the purchases should be evidenced by a statement over the signature of the seller setting forth the pertinent data relative to the purchase. This data includes the date, amount of purchase, and exchange rate. The DO should retain the statement as a supporting document with the monthly accountability statements (see Chapter 15).

2. Non-Fixed Rate. When rates legally applicable to the particular transaction are not fixed, or when such rates are fixed but the use of other rates is also legal for the particular transactions, DOs should purchase foreign exchange at the best obtainable rate. When foreign exchange can be purchased at a non-fixed legal rate, DOs should solicit bids from not less than three sources if available.

a. When a DO obtains foreign currency from a commercial source in a country where the rate of exchange is not established by agreement between the U.S. and the foreign country, use DD Form 2668, Request for Bid (Purchase/Sale), in duplicate to obtain written bids from at least three legally authorized sources, when available.

b. When practical, solicit bids from sources outside the country of the currency involved. Accept the bid providing the most beneficial exchange rate to the U.S. Government, as certified by another commissioned officer. The DO includes a copy of the certified and accepted bid as a supporting document with the financial reports, and keeps a copy of it to substantiate the place of purchase if some of the currency is eventually sold through commercial channels. See Figure 13-2 for a sample of a foreign currency purchase and Figure 13-3 for a sample of a sale of foreign currency. The DO should retain documentation stating the most beneficial bid, accepted and certified, with the monthly accountability statements.

130402. Recomputed Rate of Exchange

In countries where there is no rate of exchange agreement between the U.S. and host governments or no MBF is available, and a DO must acquire additional foreign currency on hand (including LDAs) through purchase or acquisition to meet operational needs, the DO will need to recompute the operating rate of exchange after the acquisition if the rate of exchange of the newly acquired currency differs from that of the DO's current balance. The DO then disburses from their account using the recomputed rate of exchange.

A. Determining the New Rate of Exchange. Determine the new rate of exchange by adding the U.S. dollar equivalent (USDE) value of the foreign currency on hand before the new acquisition to the USDE value of the additional foreign currency purchased, and divide the total into the new total of foreign currency units on hand; round the result to five decimal places. Do not adjust the rate until new foreign currency units are acquired.

B. Certificate of Change. The DO or deputy prepares a certificate of change similar to the example in Figure 13-4, and submits the certificate with the next SF 1219. When possible, determine the value of foreign currency on hand (including LDAs) at the beginning of the business day. If recomputation of the rate of exchange for foreign currency on hand is required during a business day, enter the voucher number of the last disbursement or collection voucher processed under the old rate of exchange on the certificate of revaluation. If there were no vouchers processed during the current business day, so state.

C. Adjustments Due to Rounding. Due to the rounding on individual disbursements and collection transactions, a difference in the USD value of foreign currency on hand may occur and cause a minor gain or deficiency. The balance of foreign currency divided by the current rate of exchange (carried to five decimal places) equals the exact USD value of foreign currency on hand. To account for minor gains or deficiencies, the DO adjusts the USD value of foreign currency on hand as part of the daily balancing process. For example, the following reflects transactions occurring on January 3, 20XX:

<u>FOREIGN UNITS</u>	<u>U.S. DOLLAR VALUE</u>	<u>RATE OF EXCHANGE</u>
107,275,503 (Balance)	\$ 854,512.60	125.53999
<u>751,883,562</u> (Purchased)	<u>6,000,000.00</u>	125.31393
859,159,065 (Balance)	\$6,854,512.60	125.34211
<u>- 9,396,641</u> (Disbursed)	<u>74,967.95</u>	125.34211
849,762,424	\$6,779,544.65	125.34211

Actual USD Value: 849,762,424 (# of foreign units) divided by the recomputed rate of exchange (125.34211) = \$6,779,544.59. The results indicate a minor deficiency of \$.06 (\$6,779,544.65 less \$6,779,544.59) due to rounding of individual vouchers.

D. New Rate of Exchange. When computing a new rate of exchange incident to purchasing additional foreign currency, the number of foreign units divided by the rate of exchange may not always accurately reflect the USD value. The rate of exchange for newly-acquired foreign currency often differs from that of the balance on hand before the purchase.

1. Gains and Deficiencies Due to Rounding. Credit/charge all gains/deficiencies due to rounding to account **-6763 (Gains and Deficiencies on Exchange Transactions) using DD Form 1131, Cash Collection Voucher, or SF 1034, Public Voucher for Purchases and Services Other Than Personal, as appropriate. Attach a certificate of adjustment as prescribed in subparagraph 130402.D.2, to the voucher to support the transaction.

2. Certificate of Adjustment. The DO or deputy DO prepares and signs a Certificate of Adjustment Due to Rounding (see Figure 13-5) when a minor gain or deficiency results.

E. Foreign Currency Revaluation. Any change in the prevailing rate of exchange causes a gain or deficiency by revaluation since there is a change in the USD value of the foreign currency, except when using the method outlined in subparagraph 130402.D.1. Whenever possible, revalue the foreign currency on hand (including LDAs) at the beginning of the business day on which a rate change occurs. Determine the new USD value by dividing the total foreign currency on hand (including LDAs) by the new exchange rate, and whether a gain or deficiency by revaluation has occurred by comparing the USD value at the old rate to the USD value at the new rate. Because DOs carry foreign currency held in the disbursing account at the USD value, adjust that value by the amount of the gain or deficiency (loss) by recording the gain or deficiency by revaluation as a collection or disbursement transaction in the DO's account.

F. Gains and Deficiencies by Revaluation. Show the computation of the revaluation gain or deficiency on the DD 1131 or SF 1034, as appropriate. Calculate gain/deficiency values for each currency individually by DO/deputy DO/agent/cashier to keep personal accountability accurate. Except when using the method outlined in subparagraph 130402.D.1, use DD 1131 to credit gains and SF 1034 to charge deficiencies, citing the Gains and Deficiencies-Exchange Transactions, **-6763 appropriation. DOs may consolidate the "net" change for all currencies on a single DD 1131 or SF 1034, as appropriate.

G. Balance-of-Payments. For balance-of-payment purposes, code all credits and charges to appropriation to the **-6763 appropriation as USD transactions. Use **-6763 appropriation only for gains and deficiencies due to foreign currency revaluations. Appropriation **-6763 is not related to and has no relationship with the Foreign Currency Fluctuations, Defense (FCFD) or the Foreign Currency Fluctuations, Construction, Defense (FCFCD) accounts used to account for differences between budgeted foreign currency rates at which obligations are recorded and the rates at which they are liquidated. Reflect the FCFD and FCFCD portions of foreign currency disbursements separately on disbursement vouchers as charges to the appropriate foreign currency centrally-managed allotment account set up for that purpose.

H. Gains or Deficiencies on Security Deposits due to Foreign Currency Fluctuation

1. Policy

a. **Service** members stationed in overseas areas are authorized advanced overseas housing allowance for security deposits to obtain leased housing. As authorized by the Joint Federal Travel Regulations, Chapter 8, the supporting DO pays the necessary amount in the appropriate local currency and charges the appropriate military pay appropriation for the USDE. The preferred method for paying advanced housing allowance is a LDA check in the local currency of the area involved.

b. For disbursing offices that do not maintain an LDA in the required currency, the member presents a copy of the lease agreement containing the amount of foreign currency needed to initiate the lease contract. The disbursing office contacts the local MBF to determine the foreign currency exchange rate on the date the advance is to be paid, computes the USD amount, and requests that the appropriate military pay entitlement office prepare and certify the appropriate voucher for payment of the advance in USD, and charging the appropriate military pay appropriation. The **service** member converts the payment to local currency at the MBF.

c. The supporting finance office maintains a tracking system, either by input into the master military pay account (MMPA) or by manual methods, showing the amount of the advance paid in local currency, the USDE, and the exchange rate in effect on the date of payment.

d. Lease Termination

(1) At lease termination, service members return the total amount of the deposit in local currency to the supporting disbursing office in exchange for a receipt. The supporting disbursing office credits the USDE based on the rate of exchange in effect on the date of the return to the appropriation charged when the deposit was advanced; compares that rate of exchange with the rate in effect on the date of the advance; and posts any gain or **deficiency** (loss) due to currency fluctuation as a charge or credit, as appropriate, to the current military pay appropriation.

(2) If the security deposit was paid in USD, the **service** member takes the full value of the security deposit in foreign currency to the MBF, converts it to U.S. currency, obtains a receipt indicating the exchange rate, and turns in the U.S. currency and receipt to the disbursing office. The disbursing office prepares a collection voucher for credit to the appropriate military pay appropriation, indicates return of the security deposit, verifies with the MMPA or local record whether a gain or **deficiency** has occurred for the current exchange rate, and prepares the appropriate voucher to credit or debit the gain or **deficiency** to the appropriate military pay appropriation, ensuring that the member does not experience any gain or **deficiency** due to foreign currency fluctuations.

130403. Obtaining Weekly Foreign Currency Exchange Rates

The [Federal Reserve Bank](#) provides weekly foreign currency at their website.

1305 USE OF FOREIGN CURRENCIES FOR TRANSPORTATION

130501. Transportation Payment

To the maximum extent possible, use U.S.-owned foreign currencies for transportation when certificated air carriers are available and will accept such currencies in payment for U.S. Government-financed, commercial, foreign air transportation of persons or property. Review [DoD Directive 4500.09E](#), Transportation and Traffic Management, for guidance on the use of these air carriers and determination of their availability. In issuing and exchanging Government Transportation Requests (GTRs), Government Bills of Lading (GBLs), transportation warrants, or other procurement documents, state clearly “PAYMENT IN (foreign currency)” on the form. Otherwise the carrier may demand payment in USDs.

130502. Transportation Billing

DOs should ensure to include in the “BILL TO” portion of the GTR, GBL, transportation warrant, or other procurement document:

- A. Name of the requesting agency;
- B. Address to be billed; and
- C. Instruction on payment in foreign currency.

1306 DISPOSITION OF FOREIGN CURRENCY AND NEGOTIABLE INSTRUMENTS

130601. Payments and Sales to Authorized Personnel

DOs may use foreign currency for payments to foreign personnel and vendors (see Volume 10, [Chapter 4](#)).

130602. Disposition of Excess Foreign Funds

When possible, transfer foreign currencies excess to other DoD DOs, USDOs, U.S. Embassies, or accountable officers in a particular locality with immediate disbursing needs. When the collection of foreign currency causes a noninterest bearing LDA to exceed immediate disbursing requirements see Chapter 14.

- A. Sale to another DoD Disbursing Office

1. Sort checks, drafts, and money orders payable in foreign currency by the geographical location of the institutions on which they were drawn and send them by

registered mail or courier to a DoD DO located in the country of the monetary unit involved. Send them with a completed [DD Form 165](#), Shipment of Funds, and a letter of transmittal addressed to "DO (activity of addressee)." See Chapter 3. Include a request for a U.S. Treasury exchange-for-cash check with the letter of transmittal. Identify the country, type, amount, exchange rate, and USD value of the instruments on the DD 165. Endorse the instruments "Pay to the order of 'Disbursing Officer, Activity of Addressee', (Signature of sender)." When there is no DoD DO in the country involved, deposit the instruments in accordance with the TFM Volume 1, Part 5, Chapter 6000.

2. Send other than local currencies, and currencies not required for official purposes to a DoD DO that needs them, or to a DO located in the country where the currency is legal tender. Exchange the foreign currency for U.S. currency or a U.S. Treasury exchange-for-cash check. When using registered mail or courier, include a completed DD 165 and letter of transmittal requesting a U.S. Treasury exchange-for-cash check. Include the country, type, amount, exchange rate, and USD value of the foreign currency on the DD 165. Do not send foreign coins for exchange except under unusual circumstances and with the prior concurrence of the intended recipient.

3. Use the prevailing rate of exchange on the date of the seller's transmittal and the prevailing rate on the date of receipt for the buyer. Since the prevailing rate is the holding rate for the receiving office, there will be no gain or deficiency in the receiving office's accounts. The selling office accounts for any gain or deficiency due to exchange rate fluctuations when it receives the exchange-for-cash check.

B. Sale to an MBF. A DO may sell excess foreign currency to an MBF whenever the currency cannot be sold to another DoD DO. The selling DO uses the MBF "buy rate" as the rate of exchange on the date it sends the currency to the MBF, and accounts for any gain or **deficiency** due to exchange rate fluctuations when it receives the USD from the MBF.

C. Sale through Commercial Channels. If foreign currency cannot be sold, a DO may sell it through commercial channels. If the rate of exchange has been established by agreement between the U.S. and the foreign country, sell or otherwise dispose of foreign currency for U.S. currency or USD checks at the established rate of exchange.

1. For this type of sale, the bank or other entity to which the foreign currency is sold provides a statement showing the amount of USD supplied, rate of exchange, amount of foreign currency received, date, and name and address of the bank or other entity. The recipient's representative signs the statement and the DO includes it with the financial reports. A DO may also conduct foreign currency sale transactions with a bank or entity approved by Treasury (e.g., an MBF) to establish LDAs in the currency being purchased.

2. When the rate of exchange is not established by agreement between the U.S. and the foreign country, or if there is not a bank or entity approved by Treasury to establish LDAs, use a DD 2668 to request at least three bids from reputable banking institutions or dealers in foreign exchange, if available. Sell the foreign currency to the bidder submitting the most beneficial bid as certified by a commissioned officer other than the DO; the

DO accepts it and includes it with the financial reports to support gains or [deficiencies](#) in foreign currency transactions (see Figure [13-3](#)).

D. Deposits to the Credit of the U.S. Treasury. If disposition is not possible through a DoD DO or an MBF, follow guidance in the TFM Volume 1, Part 5, Chapter 6000 for deposits of foreign currency and checks drawn on foreign banks.

E. Deposits. Pending receipt of the confirmed copy of the deposit ticket, record the deposit on line 6.7 (Cash in Transit) of the DD 2657 at the USD value of the funds when the deposit was mailed. If the confirmed copy of the deposit ticket is not received before the end of the month of mailing, report the item on line 6.7 of the SF 1219. The depository enters the net USD proceeds in Block 4 of the deposit ticket and distributes the copies as for any regular deposit.

1. Upon receipt of the confirmed copy, the DO enters the confirmed amount on line 4.2A, Deposits Presented or Mailed to Bank, of the DD 2657 as a decrease to Cash in Transit. Account for any difference in the amount of the confirmed deposit ticket and the amount at which carried by the DO on line 6.7 (as distinguished from exchange fees and collection charges) as either a gain or [deficiency](#) by exchange transaction as prescribed in section [1303](#).

2. Do not report deposits of foreign negotiable instruments under this section as "Deposits Presented or Mailed to Bank" until receipt of the confirmed copy of the deposit ticket because the USD value to be reported as deposited is not known to the DO until then.

[130603.](#) Dishonored Foreign Checks, Drafts, and Money Orders

Dishonored foreign instruments received by DoD DOs are subject to the regular debt collection procedures. DOs must request removal of dishonored item deficiencies for instruments received that become uncollectible.

[130604.](#) Mutilated or Unfit Foreign Currency

DOs should take every possible precaution to prevent acceptance of mutilated foreign currency as a collection, payment, or an exchange transaction. If a DO is holding mutilated foreign currency, the DO must contact local banks or fiscal authorities to arrange for the exchange of mutilated or unfit currency for fit currency.

[130605.](#) Counterfeit or Altered Foreign Currency

DOs should take every possible precaution to prevent acceptance of counterfeit currency as a collection. If the collection is counterfeit, see the TFM, [Volume 1, Part 5, Chapter 2000 Section 2040](#). Absent an agreement with foreign government, ship the currency to the appropriate investigative agency or nearest military security agency. Obtain a receipt for the currency, and account for it in the DO's records in the same manner prescribed in Chapter 3

for counterfeit U.S. currency. A DO considered at fault in acquiring counterfeit foreign currency is accountable for the value of the currency. Submit a request for relief of liability pursuant to the process outlined in Volume 5, Chapter 6, paragraph 060206. This is the same process that is used for accountability for receipt of counterfeit U.S. currency.

*1307 RECORDS AND REPORTS

130701. Treatment of Transactions

Treat transactions involving foreign currency as cash transactions and follow the same principles and guidelines established for controlling U.S. currency. DOs, deputy DOs, agents, and cashiers who engage in foreign currency transactions (e.g., collections, disbursements, and accommodation exchanges) must document them on DD Form 2663, Foreign Currency Control Record (Figure 13-6). This form shows current balances of foreign currency on hand (all foreign currency held by cashiers, in the vault, or by other agents of the DO) and in LDAs, as well as the detailed transactions that increase or decrease these balances.

130702. DD Form 2663, Foreign Currency Control Record

Maintain separate DD 2663s for each type of foreign currency used (e.g., Kuwaiti Dinar, British Pound Sterling, Japanese Yen). Also maintain a separate DD 2663 for accommodation exchange foreign currency carried at an exchange rate different from that used for disbursements. DOs may maintain separate DD 2663s for foreign currency on hand and in LDAs. See Figure 13-6 for preparation instructions for DD 2663.

130703. Foreign Currency Reports

A. DO. Include with the foreign currency reports a cover sheet with the following headings: Country of Currency; Monetary Unit; Number of Units Purchased; Total Dollar Outlay; and Memorandum - Dollar Outlay for Accommodation Exchanges. Reports are due within 15 calendar days after the close of each quarter to the supporting DFAS site. Reports may be combined and submitted as one report.

1. Cumulative Report of Foreign Currency Purchased with USD from Sources Outside the U.S. Government. This report is cumulative for the fiscal year. Include the amounts acquired through accommodation exchange transactions as well as purchases from banks and other dealers in currency exchange.

2. Report of the Balance of Foreign Currency Held under Dollar Accountability. This report is due by the end of each quarter to the same DFAS site as the cumulative report. It may be combined with the cumulative report.

3. Report of Foreign Exchange Received by DOs and Credited Immediately to Miscellaneous Receipt Accounts of the Treasury. This report is a cumulative report of outside purchases and quarterly report of balances of foreign currency on hand. These

funds are received for such things as fees and services and are immediately purchased by DOs with appropriated funds for their operating needs. Exclude repayments to appropriations.

B. Consolidated Quarterly Reports of DOs. DFAS sites will consolidate the DOs quarterly reports and forward them to DFAS, Departmental Reporting Directorate, Treasury Division, Reporting Operations Branch, Room 201B, 8899 E. 56th Street, Indianapolis, IN 46249, in time to be delivered to the Treasury 45 calendar days after the close of each quarter.

C. SF 1219. Report foreign currency balances held in their USDE (see Chapter 15) on the SF 1219 including those in LDAs.

***1308 CONTINGENCY OPERATIONS IN FOREIGN TERRITORIES**

Information pertaining to Contingency Operations in Foreign Territories can be found in Volume 12, Chapter 29, "Administering, Using and Accounting for Vested and Seized Funds and Property During Contingency Operations."

Figure 13-2. Sample DD Form 2668, Request for Bid (Purchase/Sale) – Purchase

REQUEST FOR BID (Purchase/Sale)			
SECTION I – PURCHASE			
1. DISBURSING ACTIVITY NAME AND LOCATION USS FAIRFAX COUNTY (LST-1193) FPO AE 09569-1814		2. DSSN 8289	
3. NAME AND ADDRESS OF BANK, FINANCIAL INSTITUTION, OR FOREIGN EXCHANGE DEALER BANCA COMMERCIALE ITALIANA BRINDISI, ITALY			
PLEASE INDICATE THE NUMBER OF CURRENCY UNITS DESCRIBED IN ITEM 4 YOU SHALL FURNISH IN EXCHANGE FOR EITHER A CHECK DRAWN ON THE TREASURER OF THE UNITED STATES OR UNITED STATES DOLLARS IN THE AMOUNT INDICATED IN ITEM 5.		4. NAME OF FOREIGN CURRENCY REQUESTED ITALIAN LIRE	5. U.S. DOLLAR AMOUNT \$10,000.00
6. DISBURSING OFFICER NAME, RANK OR GRADE SHALLIAM B. ELLIS, ENS, SC, USNR	7. DISBURSING OFFICER'S SIGNATURE		8. DATE JUNE 22, 20XX
OFFER IS MADE TO FURNISH THE NUMBER AND TYPE OF FOREIGN CURRENCY UNITS INDICATED IN ITEM 9. THE FORM OF PAYMENT REQUESTED FOR THIS CURRENCY IS INDICATED IN ITEM 10.	9. UNITS AND TYPE OF FOREIGN CURRENCY OFFERED 19,830,000 ITALIAN LIRE		10. PAY BY (Check one)
			a. CHECK XXX
11. NAME AND TITLE OF OFFERING OFFICIAL G. C. PAVALONI, VICE PRESIDENT	12. SIGNATURE OF OFFERING OFFICIAL		13. DATE JUNE 24, 20XX
14. CERTIFICATION			
a. CERTIFIED TO BE THE MOST BENEFICIAL BID.	b. NUMBER OF BIDS 3	c. COMMISSIONED OFFICER NAME AND SIGNATURE JOSEPH L. SMITH, LT, USN	d. DATE JUNE 25, 20XX
15. BID ACCEPTED		16. DISBURSING OFFICER NAME AND SIGNATURE SHALLIAM B. ELLIS	17. DATE JUNE 25, 20XX
SECTION II – SALE			
18. DISBURSING ACTIVITY NAME AND LOCATION		19. DSSN	
20. NAME AND ADDRESS OF BANK, FINANCIAL INSTITUTION, OR FOREIGN EXCHANGE DEALER			
PLEASE INDICATE THE AMOUNT IN UNITED STATES DOLLARS YOU SHALL FURNISH IN EXCHANGE FOR THE NUMBER OF FOREIGN CURRENCY UNITS INDICATED IN ITEM 21.		21. NUMBER AND NAME OF FOREIGN CURRENCY UNITS	
22. DISBURSING OFFICER NAME, RANK OR GRADE	23. DISBURSING OFFICER'S SIGNATURE		24. DATE
OFFER IS MADE TO FURNISH UNITED STATES DOLLARS IN THE AMOUNT INDICATED IN ITEM 25 FOR THE CURRENCY SPECIFIED ABOVE.		25. AMOUNT OF UNITED STATES DOLLARS OFFERED	
26. NAME AND TITLE OF OFFERING OFFICIAL	27. SIGNATURE OF OFFERING OFFICIAL		28. DATE
29. CERTIFICATION			
a. CERTIFIED TO BE THE MOST BENEFICIAL BID.	b. NUMBER OF BIDS	c. COMMISSIONED OFFICER NAME AND SIGNATURE	d. DATE
30. BID ACCEPTED		31. DISBURSING OFFICER NAME AND SIGNATURE	32. DATE
33. REMARKS			

DD Form 2668, AUG 93

Figure 13-3. Sample DD Form 2668, Request for Bid (Purchase/Sale) – Sale

REQUEST FOR BID (Purchase/Sale)			
SECTION I – PURCHASE			
1. DISBURSING ACTIVITY NAME AND LOCATION		2. DSSN	
3. NAME AND ADDRESS OF BANK, FINANCIAL INSTITUTION, OR FOREIGN EXCHANGE DEALER			
PLEASE INDICATE THE NUMBER OF CURRENCY UNITS DESCRIBED IN ITEM 4 YOU SHALL FURNISH IN EXCHANGE FOR EITHER A CHECK DRAWN ON THE TREASURER OF THE UNITED STATES OR UNITED STATES DOLLARS IN THE AMOUNT INDICATED IN ITEM 5.		4. NAME OF FOREIGN CURRENCY REQUESTED	5. U.S. DOLLAR AMOUNT
6. DISBURSING OFFICER NAME, RANK OR GRADE	7. DISBURSING OFFICER'S SIGNATURE		8. DATE
OFFER IS MADE TO FURNISH THE NUMBER AND TYPE OF FOREIGN CURRENCY UNITS INDICATED IN ITEM 9. THE FORM OF PAYMENT REQUESTED FOR THIS CURRENCY IS INDICATED IN ITEM 10.	9. UNITS AND TYPE OF FOREIGN CURRENCY OFFERED		10. PAY BY (Check one)
			a. CHECK
11. NAME AND TITLE OF OFFERING OFFICIAL	12. SIGNATURE OF OFFERING OFFICIAL	13. DATE	
14. CERTIFICATION			
a. CERTIFIED TO BE THE MOST BENEFICIAL BID.	b. NUMBER OF BIDS	c. COMMISSIONED OFFICER NAME AND SIGNATURE	d. DATE
15. BID ACCEPTED		16. DISBURSING OFFICER NAME AND SIGNATURE	17. DATE
SECTION II – SALE			
18. DISBURSING ACTIVITY NAME AND LOCATION USS FAIRFAX COUNTY (LST-1193) FPO AE 09569-1814		19. DSSN 8289	
20. NAME AND ADDRESS OF BANK, FINANCIAL INSTITUTION, OR FOREIGN EXCHANGE DEALER BANCA COMMERCIALE ITALIANA BRINDISI, ITALY			
PLEASE INDICATE THE AMOUNT IN UNITED STATES DOLLARS YOU SHALL FURNISH IN EXCHANGE FOR THE NUMBER OF FOREIGN CURRENCY UNITS INDICATED IN ITEM 21.		21. NUMBER AND NAME OF FOREIGN CURRENCY UNITS 9,900,000 ITALIAN LIRE	
22. DISBURSING OFFICER NAME, RANK OR GRADE SHALLIAM B. ELLIS, ENS, SC, USNR	23. DISBURSING OFFICER'S SIGNATURE		24. DATE JULY 12, 20XX
OFFER IS MADE TO FURNISH UNITED STATES DOLLARS IN THE AMOUNT INDICATED IN ITEM 25 FOR THE CURRENCY SPECIFIED ABOVE.		25. AMOUNT OF UNITED STATES DOLLARS OFFERED \$5,000.00	
26. NAME AND TITLE OF OFFERING OFFICIAL G. C. PAVALONI, VICE PRESIDENT	27. SIGNATURE OF OFFERING OFFICIAL		28. DATE JULY 12, 20XX
29. CERTIFICATION			
a. CERTIFIED TO BE THE MOST BENEFICIAL BID.	b. NUMBER OF BIDS 3	c. COMMISSIONED OFFICER NAME AND SIGNATURE JOSEPH L. SMITH, LT, USN	d. DATE JULY 13, 20XX
30. BID ACCEPTED		31. DISBURSING OFFICER NAME AND SIGNATURE SHALLIAM B. ELLIS	32. DATE JULY 13, 20XX
33. REMARKS			

DD Form 2668, AUG 93

Figure 13-4. Sample Certificate of Change in Purchase Rate

3RD MARINE LOGISTICS GROUP FLEET MARINE FORCE, PACIFIC FPO AP			
October 4, 20XX			
CERTIFICATE OF CHANGE IN PURCHASE RATE			
	<u>Yen</u>	<u>Exchange Rate</u>	<u>U.S. Dollars</u>
Total amount of Japanese Yen on hand at close of business October 3, 20XX	220,000	97.99991	\$2,244.90
Japanese Yen received this date through sale of Treasury Check No. 196,240 for \$10,000	200,000	102.00022	\$1,960.78
Totals	420,000	99.86494	\$4,205.68
<p>420,000 Yen divided by \$4,205.68 equals 99.86494, which is the new exchange rate for Japanese Yen on hand. This rate is based on the prior purchase exchange rate and the new exchange purchase rate for Yen purchased on October 4, 20XX.</p> <p>No collection or disbursement vouchers processed this date prior to revaluation of Japanese Yen.</p>			
<p>J. A. HANCOCK DSSN 6870</p>			

Figure 13-5. Sample Certificate of Adjustment Due to Rounding

U.S. NAVAL STATION ROTA SPAIN			
January 3, 20XX			
CERTIFICATE OF ADJUSTMENT DUE TO ROUNDING			
<u>PESATAS</u>	<u>US DOLLAR VALUE</u>	<u>US DOLLAR VALUE</u>	<u>DIFFERENCE</u>
	(based on individual cumulative transactions)	(based on rate of exchange of \$125.34211=\$1)	(deficiency)gain
849,762,424	\$6,779,554.65	\$6,779,544.59	\$(-.06)
J. A. HANCOCK Symbol 6870			

*Figure 13-6. Sample DD Form 2663, Foreign Currency Control Record (Continued)

Instructions

A. Preparation. This form is designed for notebook style use. Complete both sections to make a complete record of each line entry.

1. Item 1: Date. Enter the applicable transaction date.
2. Item 2: Transaction Reference. Enter data to enable reference to transaction source documents (e.g., voucher number, revaluation and LDA check number).
3. Item 3: Exchange Rate. Enter the foreign currency to USD exchange rate applicable to the transaction.
4. Item 4: Collections
 - a. Sub-item a: Miscellaneous Receipt. Enter the amount of foreign currency in the “units” column and the USDE of those units in the “dollars” column for any foreign currency collected into a Treasury miscellaneous receipt account.
 - b. Sub-item b: Reimbursement/Refund. Enter the amount of foreign currency in the “units” column and the USDE of those currencies in the “dollars” column for any foreign currency reimbursement or refund transactions. DOs, at their option, may use these columns only for reimbursements while netting refunds out in Item 8 (Disbursements); draw a single line through the word “refund” when using this option.
5. Item 5: Purchases
 - a. Sub-item a: Government Sources. Enter the amount of foreign currency in the “units” column and the USDE in the “dollars” column for foreign currency purchases from government sources (including other DOs). Include foreign currency acquired from government sources to be used for accommodation exchange purposes. Do not include foreign currency acquired in accommodation exchange transactions.
 - b. Sub-item b: Non-government Sources. Enter the amount of foreign currency in the “units” column and the USDE in the “dollars” column for foreign currency purchases from non-government sources, including MBF and nonappropriated fund activities. Include foreign currency acquired from non-government sources to be used for accommodation exchanges and foreign currency acquired in accommodation exchanges.

*Figure 13-6. Sample DD Form 2663, Foreign Currency Control Record (Continued)

Instructions (Continued)

c. Sub-item c: Outlay for Accommodation Exchange. This sub-item is for memorandum entry only since any foreign currency acquired in accommodation exchange transactions is included in sub-item 5b. Enter the USDE of those currencies in sub-item 5b associated with accommodation exchange purchases. These amounts are required for foreign currency reporting. This sub-item may be left blank when a separate DD 2663 is maintained exclusively for accommodation exchange transactions.

6. Item 6: Country. Enter the name of the country whose currency is reported (e.g., Kuwait, United Kingdom, Japan).

7. Item 7: Currency Unit Type. Enter the name of the foreign currency reported (e.g., Dinar, Pound Sterling, Yen).

8. Item 8: Disbursements. Enter the amount of foreign currency in the “units” column and the USDE in the “dollars” column for foreign currency disbursements. When including foreign currency refunds in sub-item 4b, disbursements entered in this item are gross disbursements. When entering only reimbursements in sub-item 4b, disbursements entered in this item are net of refunds.

9. Item 9: Deposits/Sales/Transfers. Enter the amounts of foreign currency in the “units” column and the USDE in the “dollars” column represented by accommodation exchange sales, deposits to a general depository, or transfers to other DOs or agents outside the DOs accountability. Do not show deposits to an LDA in this item.

10. Item 10: Gain or Deficiency. Enter gains or deficiency resulting from revaluation of foreign currency on hand and in an LDA. Include gains or deficiencies recognized on the basis of individual disbursement or accommodation exchange transactions. Also enter the amounts of physical deficiencies of foreign currency. Process overages of foreign currency as reimbursements to **F3875, Budget Clearing Account (Suspense), or eventually as receipt account collections (see Chapter 6).

11. Item 11: Sub Balance

a. Sub-item a: On Hand. Enter the cumulative amounts of foreign currency in the “units” column and the USDE in the “dollars” column to report foreign currency on hand (not including currency on deposit in an LDA). Balance (offset) entries in this sub-item with entries in other items of the DD 2663 except when foreign currency carried as cash on hand is deposited to an LDA or when an LDA check is written to obtain cash on hand. Enter these transactions as decreases (or increases, as appropriate) in the “units” and “dollars” columns of 11a (ON HAND) and 11b (LDA). Enter appropriate references to such transactions in items 1 and 2.

*Figure 13-6. Sample DD Form 2663, Foreign Currency Control Record (Continued)

Instructions (Continued)

b. Sub-item b: LDA. Enter the cumulative amounts of foreign currency in the “units” column and the USDE in the “dollars” column representing the balance on deposit in an LDA. Balance (offset) entries in this sub-item with entries in other items of the DD 2663 except for transactions involving transfers between cash on hand and cash in an LDA as explained in the preceding subparagraph.

12. Item 12: Combined Balance. Enter the total of the “units” and “dollars” columns of sub-items 11a and b in the in the appropriate columns.

B. Totaling. Enter column totals of items 4 through 10 at the end of each month, quarter, and year.