

**SUMMARY OF MAJOR CHANGES TO  
DoD 7000.14-R, VOLUME 5  
“GLOSSARY”**

All changes are denoted in blue font.

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

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

| PARAGRAPH | EXPLANATION OF CHANGE/REVISION  | PURPOSE |
|-----------|---|---------|
| All       | Converts former “Definitions” section of this volume to a Glossary, to facilitate the guidance of having a glossary for each volume of the DoD FMR. Only those items with substantive changes from the former “Definitions” are identified with a ★ and are in blue. This incorporates the “glossary-type items” from chapters 28 – 34. | New     |

★ GLOSSARY ★

★ Refer to the DoD FMR Glossary at <http://www.defenselink.mil/comptroller/fmr/glossary.pdf>.

★ There are references to the United States Code (U.S.C.) throughout this glossary. Please go to <http://www4.law.cornell.edu/uscode/> and search the Code for the desired citation.

Accommodation Exchange

a. The exchange of U.S. Treasury checks or other U.S. dollar instruments for U.S. dollars (i.e., check cashing).

b. The exchange of U.S. dollars or dollar instruments for foreign currency for the convenience of authorized personnel or, where permitted, the exchange of foreign currencies for U.S. dollars or dollar instruments.

★ Accountable Individual. Accountable Individual, Accountable Official and Accountable Officer are used synonymously throughout this volume. However, 31 U.S.C. 3527 uses the term “Accountable Official.” An “Accountable Individual” is also referred to as an Accountable Official.

a. Military or civilian personnel who are disbursing or certifying officers, or departmental accountable officials.

b. Deputy disbursing officers, agents, cashiers and other employees who by virtue of their employment are responsible for and have custody of government funds.

★ Accounts Receivable Office (ARO). Office responsible for the recording and reporting of accounts receivable. May also be the office responsible for debt management and collection. In most, but not all, cases, it is located at a Defense Finance and Accounting Service (DFAS) site.

Administrative Contracting Officer. A military member or civilian employee of the Department of Defense (DoD) with authority to administer contracts.

Administrative Hearing. The examination of debt documentation in lieu of an oral hearing, conducted by a hearing official authorized to hold hearings for debts being reviewed.

Administrative Offset. The withholding of money payable by the United States to, or held by the United States for, a debtor to satisfy a debt the debtor owes the United States. Includes offset from salary (pay).

Agent (of a Disbursing Officer). See Cashier, Change Fund Custodian, Deputy Disbursing Officer, Disbursing Agent, Imprest Fund Cashier, or Paying Agent, as appropriate.

Annuity. An annuity is the monthly benefit payable to an annuitant or survivor annuitant.

Approving Official. Person responsible for one or more Government Purchase Card cardholders, or for approving travel vouchers using the Defense Travel System (DTS).

Authorized Personnel. Individuals authorized to purchase goods, supplies, and services from facilities controlled or sponsored by the U.S. Government. The term also refers to all military and civilian personnel under the jurisdiction of the DoD, as well as authorized dependents either collocated with sponsors or located at safe haven areas during emergency evacuations.

Automated Information System (AIS) Administrator. An individual responsible for the programming, scheduling or operation of computerized programs, and the maintenance of one or more automated information systems.

★ Automated Teller Machine (ATM). A machine that dispenses cash, and may perform such other functions as funds transfers among a customer's various accounts and acceptance of deposits. Equipment generally is activated by a plastic card in combination with a personal identification number (PIN). Typically, when the cardholder's account is with a financial institution other than that operating the ATM, its use results in the assessment of a fee from the ATM network (e.g., Armed Forces Financial Network (AFFN), Cirrus, or PLUS) that processes the transaction.

Automated Teller Machines (ATM) at Sea. A pay delivery system aboard Naval vessels that accepts an electronic transfer of net pay and allowances due each account holder. The funds are then delivered at various machines located throughout the vessel.

★ Banking Institution. An entity chartered by a state or the federal government to provide financial services.

★ Banking Office. A branch bank, or independent bank operated by a banking institution on a domestic DoD installation or by a foreign banking institution on an overseas DoD installation.

Basic Agreement. An intergovernmental agreement negotiated with the government of a friendly nation that states, in general terms, the policies of DoD Directive 5530.3, and authorizes the implementation of those provisions by mutual consent.

★ Branch Bank. A separate unit chartered to operate at an on-base location geographically remote from its parent banking institution.

#### Canceled Check

a. Available Check. A check which is in the possession of the disbursing officer and is canceled due to non-entitlement or because it is mutilated or undeliverable.

b. Unavailable Check. A properly vouchered and issued check which is not held by the disbursing officer or payee (not received by payee, lost, or destroyed).

c. Mass Canceled Check. A U.S. Treasury check issued prior to October 1, 1989, which was automatically canceled by the Treasury Department if not cashed by October 1, 1990.

d. Limited Payability Canceled Check. A U.S. Treasury check issued on or after October 1, 1989 which is automatically canceled by the Treasury Department if not cashed within 12 months from the date of issue.

Cancellation. The process whereby an issued check that has not been presented for payment is put in a paid status in the Treasury Department's Check Payment and Reconciliation System.

Cardholder. An individual designated by an agency/activity to be issued a government purchase card and/or government travel card.

★Cash Track Web (CTW). A Treasury-sponsored cash management information collection tool used to interface with the CASH TRACK system, an automated support system used for U.S. Treasury cash management activities. The system:

a. supports the daily conference call between the U.S. Treasury and FRB New York Open Market Desk,

b. produces the Daily Treasury Statement, a daily cash flow statement of receipts and expenditures of the U.S. Treasury,

c. assists the Office of the Fiscal Assistant Secretary in estimating governmental expenses and receipts, and

d. provides a cash management information collection tool for data such as Daily Transmittals and Large Dollar Notifications (payments and receipts).

★CASHLINK II. A Department of the Treasury system developed to assist agencies in reconciling deposit transactions. Receives deposit information, initiates fund transfers, and concentrates daily deposits made through multiple collection mechanisms into the Treasury's account at the Federal Reserve Bank. Provides federal agencies with information, via the Internet, to verify deposits, automated clearing house (ACH) and Fedwire transfers, as well as adjustment information used to reconcile their accounts, and assists the Treasury in managing depositary services provided by financial institutions and monitoring the cash position of the U.S. government.

Cashier. A cashier can be a military member or DoD civilian employee designated by the disbursing officer to perform duties involving the handling of public funds. The recruitment, screening, and selection of persons for cashier positions should be accomplished with primary regard to the sensitive nature of the position.

★Centralized Offset. The offset of Federal payments through the Treasury Offset Program (TOP).

Certificated Air Carrier. A U.S. air carrier that has been issued a certificate of public convenience and necessity under the provisions of 49 U.S.C. 40101, et seq.

Certification. The act of attesting to the legality, propriety and correctness of a voucher for payment as provided for in 31 U.S.C. 3528.

Certifying Officer. An individual appointed in writing to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher, and certify that voucher for payment (see “Certification”).

Change Fund Custodian. A change fund custodian operates from an appropriated fund sales activity (e.g., dining hall, hospital, commissary) and is responsible for safeguarding the funds provided. A change fund custodian may be held pecuniarily liable for any loss of the change fund.

### Check Issue Discrepancies

a. General. A check issue discrepancy occurs when the issue amount reported by the disbursing office differs from the amount for which the check actually was issued as evidenced by the printed amount on the check itself when presented for payment.

b. Check Issue Overdraft

1. U. S. Treasury check. A check issue overdraft occurs when the amount printed on a check and paid by the Department of the Treasury is greater than the issue amount of that check as reported by a disbursing officer (DO) on the check issue report. A check issue overdraft also occurs when the amount printed on a check and paid by the Department of the Treasury is greater than the amount due as shown on the payment voucher.

2. Limited Depository Check. A check issue overdraft occurs when the amount printed on a check and paid by the Limited Depository bank is greater than the issue amount of that check as reported by the DO on the check issue report. A check issue overdraft also occurs when the amount printed on a check and paid by the Limited Depository bank is greater than the amount due as shown on the payment voucher.

c. Check Issue Underdraft

1. U. S. Treasury check. A check issue underdraft occurs when the amount printed on the check and paid by the Department of the Treasury is less than the issue amount of that check as reported by the DO on the check issue report. A check issue underdraft also occurs when the amount printed on a check and paid by the Department of the Treasury is less than the amount due as shown on the payment voucher.

2. Limited Depository Check. A check issue underdraft occurs when the amount printed on the check and paid by the Limited Depository bank is less than the issue amount of that check as reported by the DO on the check issue report. A check issue underdraft also occurs when the amount printed on a check and paid by the Limited Depository bank is less than the amount due as shown on the payment voucher.

Check Status Inquiry. An inquiry by a government agency as to the payment status of a check or a request for a copy of a check.

Civilian Pay. Entitlements to DoD civilian employees. Also, a functional area within the payment process.

★Close-out. Occurs upon determination that further collection actions are futile (e.g., a debtor is released from liability in bankruptcy) or the debt collection office (DCO) does not plan to take any future actions to collect the debt. Applies to public debt only. May occur concurrently with the write-off of the debt or at a later date, depending on the collection strategy and the cost effectiveness of continuing collection action.

Coin. Metallic specie representing either U.S. dollars and foreign currency units, fractional amounts, or multiples thereof.

Collection Agent. A collection agent is an individual who has been designated to perform duties relating to the collection of official funds, including funds held as safekeeping deposits, at a point other than a disbursing office. The individual designated as a collection agent must perform the collection duties under the general supervision of and as prescribed by the appointing officer. Responsibility for duties and functions should be segregated between receipt of funds, recordkeeping, determination of amount owed, and making demands on the debtor, so as to minimize opportunities for unauthorized, fraudulent, or otherwise irregular acts. Collection agents should not be involved with billing or accounting for funds received. Additionally, disbursing office personnel will not be designated as collection agents. A collection agent is appointed by the local commander.

Collections. All acquisitions of U.S. and foreign currencies except those acquired by the United States through purchase with dollars or accommodation exchange transactions.

Commander/Director. An individual assigned as a combatant commander, base or installation commander, commanding officer, officer-in-charge, director of a defense activity, United States Property and Fiscal Officer (National Guard), or equivalent civilian head.

Consent. A term which means that a debtor has agreed to salary or administrative offset. Consent may be implied or in writing.

Continental United States (CONUS). Unless otherwise qualified, the 48 contiguous states and the District of Columbia.

Contingency. An emergency designated by the Chairman, Joint Chiefs of Staff (CJCS) involving military forces, caused by natural disasters, terrorists, subversions, or required military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment.

Contingency Operation. A military operation designated by the Secretary of Defense in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or results in the call or order to, or retention on, active duty of members of the Uniformed Services under 10 U.S.C. 688, 12301(a), 12302, 12304, 12305, or 12406, or any other provision of law during a war or during a national emergency declared by the President or the Congress.

Contract. A mutually-binding legal relationship obligating the seller to furnish supplies or services (including construction), and the buyer to pay for them. It includes all types of actions that

obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include, but are not limited to, awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, e.g., purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications.

Contract Pay. The entitlement process to pay contractors whose payments are administered by the Defense Contract Management Agency (DCMA).

Contractor. Any person, organization, or business concern engaged in a profession, trade or business, and any not-for-profit entity operating as a contractor, including state and local governments and foreign entities, but excluding federal entities and foreign governments.

Contributed Currencies. Currencies made available to the United States by foreign governments for administrative expenses of the Security Assistance Program in accordance with mutual security bilateral agreements.

Convening Authority. The "commander/convening authority" is responsible for appointing an officer(s) or board(s) of officers to conduct investigations for losses of funds. The commander is in the disbursing officer's chain-of-command and has command authority over all accountable individuals involved in a fiscal irregularity.

Country Use Currency. Currency in the custody of the participating foreign government which may be expended under mutual agreements for loans and grants within the country involved and is not controlled under the dollar appropriation process.

Credit Card Collections. A government-wide network established by the Department of the Treasury under Pay.gov to enable the federal government to accept credit cards to effect collections from the public.

★Credit Union. A cooperative nonprofit association, incorporated under the Federal Credit Union Act (12 U.S.C. 1751 et. seq.), or similar state statute, for the purposes of encouraging thrift among its members and creating a source of credit at a fair and reasonable rate of interest.

★Credit Union Facility. A facility employing a communications system with the parent credit union to conduct business at remote locations where a full-service credit union or credit union branch is impractical. Credit union facilities need not provide cash transaction services but must disburse loans and shares by check or draft and provide competent financial counseling during normal working hours.

Creditor Component or Agency. Any DoD Component, federal agency, or other official organization owed money or property.

★Cross-Servicing. Collections of debt by one agency on behalf of another agency.

Currency. Paper money in the form of U.S. dollars and foreign banknotes.

Currency Use Payments (CUP). Foreign currency comprising a part of the purchase price of U.S. products or services (most generally U.S. surplus agricultural commodities) that, by agreement between the two nations, will remain in that country and be spent by that country.

Current Limited Depository Check. An outstanding unpaid check against the Limited Depository checking account for any time less than one full fiscal year after the fiscal year of issuance.

★Debt. As defined in 31 U.S.C. 3701(b)(1), an amount of funds or property that has been determined by an appropriate official of the Federal Government to be due to the United States from a person, organization, or entity other than another Federal agency, and which the Federal Government is entitled to receive immediately, but does not include tax debts. Debts include insured or guaranteed loans and any other amounts due from fees, leases, rents, royalties, services, sales of real or personal property, or overpayments, penalties, damages, interest, fines and forfeitures, and all other claims and similar sources. Delays in processing employee elected coverage or a change in coverage under federal benefits programs and delays in processing ministerial adjustments are not normally considered debts if processing delays did not exceed 2 monthly or 4 biweekly pay periods. Fines and forfeitures arising under the Uniform Code of Military Justice are not subject to the due process provisions of this Regulation. Amounts due a nonappropriated fund instrumentality are not debts owed the United States unless specifically included by this Regulation.

★Debt Claims Management Office (DCMO). The DFAS office that services referred individual out-of-service debt.

★Debt Collection Office (DCO). The office responsible for debt management and collection, and serving due process to the debtor. This includes AROs, civilian payroll offices, disbursing offices, DCMO, DMO, the Foreign Government Debt Management Office, military payroll offices, and other organizational elements within the DoD components that perform debt management/collection actions (e.g., personnel offices).

Debt Compromise. An agreement between the DCO and the debtor to accept less than the full amount of an outstanding debt in full satisfaction of the entire amount of the debt.

★Debt Management Office (DMO). The DFAS office that services referred vendor/contractor debt.

★Debtor. An individual who owes money or funds to DoD.

★Delinquent. A debt not paid by the date specified in the initial written demand for payment or applicable agreement or instrument, absent other satisfactory payment arrangements. If the contract or agreement provides for a “grace” period, then the debt is not delinquent until that period expires without payment, but the date of delinquency is the original due date.

★Departmental Accountable Official (DAO). An individual who provides certifying officers information, data, or services that the certifying officers rely upon directly in certifying vouchers for payment. An individual appointed in writing as a DAO may be held pecuniarily liable pursuant to 10 U.S.C. 2773a. A DAO’s liability is joint and several with the pecuniary liability of all other individuals who are liable for the loss.

Deposits-In-Transit System (DITS). A Department of the Treasury system that identifies, notifies, and possibly charges or credits disbursing officer (or bank) deposit discrepancies back to the disbursing officer.

Deputy Disbursing Officer. An individual appointed by the disbursing officer to act in the name of and for that disbursing officer to perform any and all acts relating to the receipt, disbursement, custody, and accounting for public funds. The disbursing officer making the appointment may restrict the acts a deputy is authorized to perform. All deputy disbursing officer appointees must be U.S. citizens.

Direct Deposit System. Refers to the Electronic Funds Transfer of net pay and allowances, travel, and savings allotments for civilian or military personnel to their personal bank account. For military personnel, dependent's allotments may also be included.

Disbursing. The paying of public funds to entities to whom the Government is indebted; the collection and deposit of monies; the safeguarding of public funds; the documenting, recording, and the reporting of these transactions.

Disbursing Agent. An agent to the disbursing officer not appointed as a deputy disbursing officer. Generally, a disbursing agent operates a permanently-located disbursing office that is often, but not always, geographically separated from the disbursing office.

Disbursing Office. An activity or the organizational unit of an activity whose principal function consists of the disbursement, collection and reporting of public funds. Includes both tactical and non-tactical disbursing activities. Each disbursing office will have a disbursing officer (DO) and should have at least one deputy position under the direct DO's cognizance/control. Disbursing offices within DoD formerly were referred to as Finance and Accounting Offices (FAO), Accounting and Finance Offices (AFO), and Finance Offices (FO).

Disbursing Officer (DO). A military member or a civilian employee of a DoD Component designated to disburse monies and render accounts according to laws and regulations governing the disbursement of public moneys. DOs must be U. S. citizens.

Disbursing Station Symbol Number (DSSN).

a. A four-digit number assigned to each disbursing office by the Department of the Treasury.

b. An identification number that indicates authority to receive and disburse public funds and issue checks on the United States Treasury.

★Discrimination. Any differential treatment in provision of services, including loan services, by a financial institution to DoD personnel and their dependents on the basis of race, color, religion, national origin, sex, marital status, age, rank, or grade.

Dishonored Instrument. Any negotiable instrument (other than a U. S. Treasury check) that becomes dishonored (returned by a depository) for any reason.

Disposable Pay. That amount which remains after pay (salary) is reduced by amounts which are:

- a. required by law to be deducted;
- b. properly withheld for federal, state, and local income taxes;
- c. deducted as health insurance premiums;
- d. deducted as normal retirement contributions; and
- e. deducted as normal life insurance premiums.

Doctrine of Laches. A legal term based upon neglect or omission to do what one should, thus warranting presumption of abandonment of a right or claim, e.g., if a payee neglects or fails to file a timely request, then the payor can presume that the payee has abandoned the claim.

DoD Activity. As used in this volume, this term refers to a ship, camp, post, station, base, activity, unit, installation, or facility operating within the DoD.

DoD Component. Includes the Office of the Secretary of Defense; the Military Departments (including the Coast Guard when assigned to the Department of the Navy); the Chairman of the Joint Chiefs of Staff, the Joint Staff, and supporting Joint Agencies; the Combatant Commands; the Inspector General of the DoD (DoDIG); the Defense Agencies, the DoD Field Activities, the Uniformed Services University of the Health Sciences; and all nonappropriated fund instrumentalities, morale, welfare, and recreation activities including the Military Exchange Services.

★DoD Personnel. All military personnel; DoD civil service employees; other civilian employees, including special government employees of all offices, agencies, and departments performing functions on a DoD installation (including nonappropriated fund instrumentalities); and their dependents.

★Domestic DoD Installation. A military installation located within a state of the United States, the District of Columbia, Guam or the Commonwealth of Puerto Rico.

★Due Process. The process requiring an agency to provide debtors with notice of, and the opportunity to dispute, a debt or intended debt collection action under the Fifth Amendment to the *U.S. Constitution*.

Duplicate Check. A check issued by a DSSN with the same serial number as a previously-issued check.

★Electronic Certification

a. An automated function that permits the secure, accurate, and rapid communication and certification of payment data, thus minimizing the labor-intensive processing of paper documents and allowing DoD Components to generate and certify payments electronically, controlled such that any change in the data transmitted will invalidate the certification.

★ b. An approved electronic signature adopted by a certifying officer that is unique to the certifying officer; capable of verification by the disbursing officer; under the sole control or custody of the certifying officer; and linked to the data certified in such a manner so that, if the data are changed, the electronic signature is invalidated.

Electronic Commerce. A wide range of financial functions which are performed using data communications techniques.

Electronic Data Interchange (EDI). The exchange of standardized information between business partners typically communicated electronically between computers. It is DoD policy that DoD Component EDI applications shall conform to the American National Standards Institute (ANSI), Accredited Standards Committee (ASC) X12 standard.

★Electronic Federal Tax Payment System. A service offered free by the U.S. Department of the Treasury to help business and individual taxpayers conveniently pay all their federal taxes electronically.

Electronic Funds Transfer (EFT). Transfer of funds, other than a transaction originated by cash, check, or similar paper instrument that is initiated through an electronic terminal, telephone, or computer for the purpose of ordering, instructing, or authorizing a financial institution or authorized payment agent to debit or credit an account. The term includes, but is not limited to, automated clearing house transfers, Fedwire transfers, and transfers made at automated teller machines and point-of-sale (POS) terminals. The Automated Clearing House (ACH) network has consumer and corporate formats. The Department of the Treasury has determined that payments made by government-sponsored charge cards are to be considered EFT.

Emergency Condition. Any situation resulting from war, armed aggression, or other hostilities against U.S. personnel or interests; and sudden, extensive natural or manmade disasters.

Employee. Civilians paid from appropriated funds.

★Erroneous Payment (formerly referenced as an Illegal, Incorrect, or Improper Payment). A fiscal irregularity resulting from regularly or irregularly processed payments that are not in strict conformity with laws and regulations, e. g.,

a. an overpayment to a payee;

★ b. two or more payments to a payee for the same entitlement (i.e., a duplicate payment);

- c. a payment to the wrong payee;
- d. a U.S. Treasury check issue overdraft (in some cases);
- e. a shortage caused by negotiation of both an original and a substitute U.S. Treasury check;
- f. payment based on fraudulent, forged, or altered documents; or
- g. a payment made in violation of law or regulation.

Exchange-for-Cash Check. A check issued by a disbursing officer to obtain cash funds for disbursements or in exchange for cash for official or accommodation purposes.

Facsimile Signature. An impression of a signature made by a rubber stamp and authenticated by the initials of the certifying officer or the designated individual. A facsimile signature may also be a metal plate or electronic digitized facsimile signature medium.

★Fair Market Rental. A reasonable charge for on-base land, buildings, or building space. Rental is determined by a government appraisal based on comparable properties in the local civilian economy. The appraiser, however, shall consider that on-base property may not always be comparable to similar property in the local commercial geographic area. Examples of circumstances that may affect fair market rental include limitations of usage and access to the financial institution by persons other than those on the installation, proximity to the community center or installation business district, and the government's right to terminate the lease or take title to improvements constructed at the financial institution's expense.

★Field of Membership. A group of people entitled to credit union membership because of a common bond of occupation, association, employment, or residence within a well-defined neighborhood, community, rural district, and other persons sharing a common bond as described by credit union board of directors policy or by Interpretation Ruling and Policy Statement (IRPS) 99-1. A field of membership is defined in the credit union's charter by the appropriate regulatory agency.

Financial Electronic Data Interchange (FEDI). The electronic transfer of payments, payment related information (advice of payment) or other financial documents in a standardized computer-readable format. The payment information is usually provided through the use of EDI transaction sites and may accompany the EFT payment or be sent separately and re-associated to the payment by the payee.

★Financial Institution. Any banking institution, credit union, thrift institution and subordinate office branch or facility, each as separately defined herein.

★Financial Services. Services commonly associated with financial institutions in the United States, such as electronic banking (e.g., ATMs and personal computing banking), in-store banking, checking, share and savings accounts, funds transfers, sales of official checks, money

orders, and travelers checks, loan services, safe deposit boxes, trust services, sale and redemption of U.S. Savings Bonds, and acceptance of utility payments and any other services provided by financial institutions.

Fiscal Irregularity. Any action, event, practice, or circumstance (or lack thereof) that causes an out-of-balance condition in the financial accountability to the United States of the disbursing officer, deputies, agents, and cashiers entrusted with public funds. Includes irregularities resulting from physical losses of funds or erroneous payments.

★Foreign Banking Institution. A bank located outside the United States chartered by the country in which it is domiciled.

Foreign Currency Fund Account. Accounts established for recording foreign currency acquired without payment of U.S. dollars abroad and which may be expended with or without charge to dollar appropriations. The short title for these accounts is “FT” accounts.

Foreign Exchange. Identifies the conversion (exchange) of foreign currencies; i.e., the legal monetary unit of a foreign nation, and negotiable instruments, such as travelers checks, money orders, and bank drafts payable in such monetary units.

★Foreign Government Debt Management Office (FGDMO). The DFAS office that services referred foreign government debt (both Foreign Military Sales (FMS) and non-FMS).

Fraudulent Claim. Any claim against the government involving the presentation of false information, or misrepresentation on the part of a claimant or any other party having an interest in a claim.

★Full Service Credit Union. A credit union that provides full-time counter transaction services, to include cash operations, and is staffed during normal working hours by a loan officer, a person authorized to sign checks, and a qualified financial counselor. In overseas areas, “full service” includes cash operations where not prevented by:

a. Status of forces agreements, other intergovernmental agreements, or host-country law.

b. Physical security requirements that cannot be resolved by the credit union or local command.

Functional Area. Specialized entitlement areas (also known as subject matter areas) which are not under the direct cognizance/control of the disbursing officer. Functional areas are responsible for specific types of transactions, e.g., accounts control, travel, military pay, commercial sales, civilian pay. Functional areas are not considered part of the disbursing office.

General Depository. The financial institution (also called Treasury’s General Account (TGA) Depositories) designated by the Department of the Treasury to accept deposits of cash and checks from specifically authorized disbursing officers.

★Geographic Franchise. Authorization granted to a credit union by the Office of the Under Secretary of Defense (Comptroller) to provide financial services in a specific geographic region located outside the United States, its territories and possessions.

★Government-wide Accounting and Reporting Modernization (GWA). A project addressing the central accounting and reporting functions and processes associated with budget execution, accountability, and cash/other asset management. This includes the collection and dissemination of financial management and accounting information from and to federal program agencies. It also includes the business processes in FMS that are related to ledger accounting for each appropriation, fund, and receipt account's Fund Balance with Treasury, General Ledger accounting for the cash and monetary assets of the Government, and the preparation of the Monthly Treasury Statement and the U.S. Government Combined Statement and Appendix. In addition, GWA will improve information timeliness and accuracy to support improved financial analysis and decision-making.

★Hearing. A process whereby the individual requests that a hearing official review the existence and validity of the debt or review the terms of a repayment schedule if the repayment schedule was not established by a written agreement.

Holder-in-Due-Course. A person, financial institution, or business other than the original payee who, in good faith, takes possession of a check through endorsement. A claim to payment by a holder-in-due-course will be honored, even if the original payee is not due or entitled to the check.

Imprest Fund. A cash fund of a fixed amount established by an advance of funds, with or without charge to an appropriation, from a disbursing officer to a duly appointed cashier, for disbursement as needed in making cash payments for relatively small purchases.

Imprest Fund Cashier. An individual appointed by the local commander to make authorized cash payments for materials or services. An imprest fund cashier is required to maintain custody of public funds and to file periodic vouchers to account for and replenish the imprest fund. Disbursing personnel are not eligible for appointment as imprest fund cashiers.

★Independent Bank. A bank specifically chartered to operate on one or more DoD installations whose directors and officers usually come from the local business and professional community. Such operations are thus differentiated from county-wide or state-wide branch systems consisting of a head office and one or more geographically separate branch offices.

★In-Store Banking. An expansion of financial services provided by an on-base financial institution within the premises of a commissary store operated by the Defense Commissary Agency, a Military Exchange outlet, and other on base retail facilities.

Internal Controls. The manner in which financial, manpower, and property resources are controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.

★[International Treasury Services \(ITS.gov\)](#). The Department of the Treasury's comprehensive international payment and collection system, and the preferred payment method for foreign-currency transactions.

Intra-governmental Pay and Collection (IPAC) System. A Department of the Treasury automated system used for the payment and collection of intra-governmental billing services and supplies.

a. IPAC Adjustments. A reversal of a transaction by the receiving agency up to but not to exceed the amount of the original transaction. Receiving agencies cannot reject IPAC transactions that have been processed by the Department of the Treasury. Adjustments are reported in the accounting month in which they are processed in IPAC.

b. IPAC Billing Agency. Generally, the agency originating a collection or receiving a payment transaction. NOTE: In the Department of the Treasury's Disbursing and Adjustment menu screens, the billing agency location code (ALC) represents the originator of the transaction.

c. IPAC Corrections. Refers to erroneous reporting on the SF 1219 (Statement of Accountability). The error can be caused by amounts being over or understated or by the failure of an agency to record the transaction in the proper month of accountability.

d. IPAC Customer Agency. The agency originating a payment or receiving a collection transaction. NOTE: In the Department of the Treasury's Disbursing menu screen, the customer ALC represents the agency receiving the transaction. In the Department of the Treasury's Adjustment menu screen, the Billing ALC of Original Bill field represents the agency receiving the adjustment transaction.

Irregularity in a Disbursing Officer's Account. Denotes any action (or lack thereof), event, practice, or circumstance that causes an out of balance condition in the financial accountability to the United States of the disbursing officer and/or deputies, agents, and cashiers to whom public funds have been entrusted.

★[Large Dollar Notification \(LDN\) Interface](#). A Treasury FMS web-enabled utility to allow a government agency to add, update, delete, search, list, and view LDNs.

Limited Depository. A U.S. or foreign commercial bank designated by the Treasury Department to receive deposits from disbursing officers for credit to their official limited depository checking accounts.

Limited Depository Account. A checking account in a foreign currency maintained in a limited depository by a disbursing officer in his or her name. Limited depository accounts also may be referred to as operating accounts.

Lockbox. A collection and processing service provided by a financial institution to accelerate cash flow to Treasury's General Account (TGA).

★Malpractice. Any unreasonable lack of skill or fidelity in fiduciary duties or the intentional violation of an applicable law or regulation or both that governs the operations of the financial institution. A violation shall be considered intentional if the responsible officials know that the applicable action or inaction violated a law or regulation.

Member. Military personnel on active duty or retired (including those receiving retainer pay) from active duty in a Military Service and Reserve Component personnel on active duty or retired.

★Military Banking Facility (MBF). A banking office located on a DoD installation and operated by a financial institution that the Department of the Treasury specifically has authorized, under its designation as a “Depository and Financial Agent of the U.S. Government,” to provide certain banking services at the installation.

Military Pay. An entitlement process for military active duty, National Guard, Reserve, and retired military personnel; annuitants, academy cadets/midshipmen; and Armed Forces Health Professions Scholarship participants; and inactive duty travel. Also refers to a functional pay area (office).

Military Post Office Addresses. Military post office addresses (APO and FPO) must comply with automated mail processing. The next-to-the-last line shows a "Unit" or "Postal Service Center" number followed by a box number (if appropriate). This line replaces the U.S. Postal Service's standard street address and apartment number format. The bottom line must comply with the U.S. Postal Service's standard city, state, ZIP Code format. APO or FPO replaces the "city" name, and the "state" abbreviations are:

a. AA for military post offices in Central and South America, e.g., APO and FPO Miami are now APO and FPO AA, respectively.

b. AE for military post offices in Canada, Europe, Africa, and the Middle East, e.g., APO and FPO New York are now APO and FPO AE, respectively.

c. AP for military post offices in Alaska and the Pacific area, e.g., APO and FPO San Francisco, and APO and FPO Seattle are now APO and FPO AP, respectively.

Ministerial Adjustment. Any non-discretionary pay adjustment such as an adjustment prescribed by statute or regulation.

★National Bank. An association approved and chartered by the Comptroller of the Currency to operate a banking business.

★Negligence. The failure to act as a reasonably prudent person would act under similar facts, conditions, and circumstances.

Nontactical Disbursing Activity. Any disbursing activity permanently assigned to an installation and not subject to mobilization or deployment.

Officer or Military Officer. Includes all commissioned and warrant officers (appointed officers) of the Uniformed Services.

★On-base. Refers to physical presence on a domestic or overseas DoD installation.

★Operating Agreement. A mutual agreement between the installation commander and the on-base financial institution to document their relationships.

Oral Hearing. An informal oral proceeding held by a hearing official with representatives of the creditor agency, the debtor or representative, and witnesses present.

Original Signature. A manual signature in permanent dark blue, blue-black, or black ink.

Out-of-Service Debtor. A former civilian employee, former member of the Armed Forces, or any other individual who is not receiving any compensation from the DoD and owes a debt to DoD.

★Out-of-Service Individual Debt. Out-of-service indebtedness occurs when the individual is not receiving salary or other payments from DoD that can be offset to collect a debt owed to DoD. Out-of-service debts may arise from overpayments, erroneous payments, indebtedness by the public for use of DoD's facilities or services, or indebtedness by individuals previously serving in or employed by a DoD Component.

Outstanding Check. A check is identified as outstanding when the Department of the Treasury Check Payment and Reconciliation (CP&R) system has the check recorded as issued but not paid.

Overage of Funds. Funds held in an amount greater than the amount shown to be on hand by the daily accountability records.

Overseas. For purposes of this Regulation, any area located outside the states of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. Includes all non-U.S. locations.

★Overseas DoD Installation. A military installation (or community) located outside the states of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Paid Status. A check is identified as paid when it has been presented to the Department of the Treasury for payment through the banking system, reported as a void (zero value issue), or when it has been canceled.

★Paper Check Conversion - Over the Counter (PCC-OTC). A Treasury system that converts personal and business checks into electronic funds transfers (EFT). Occurs at the point of sale or in a lockbox environment. Transactions can be consumer, consumer accounts receivable, and business transactions.

★Part-time MBF. A MBF that operates fewer than 5 days a week exclusive of additional payday service. When only payday service is provided, the MBF may be termed a "payday service facility."

Pay (Salary). In this Regulation, pay and salary have the same meaning. They include basic, special, incentive, retired, or retainer pay, consultant's fees, and any other authorized pay and allowances.

Pay Period. Pay periods are normally biweekly for civilians working for federal agencies; monthly for active duty military personnel and all retirees; or periodically based on completion of active or inactive duty for training for Reserve personnel.

Payability. The length of time during which a U.S. Treasury check is negotiable. Also relates to "claimability," the length of time a payee may present a claim of non-receipt, loss, or theft of a U.S. Treasury check to a government agency. Claims are valid on an underlying obligation until expiration of the statute of limitations, normally 6 years. If a payee's right to entitlement has expired, then the claim is denied, but under 31 U.S.C. 3702 the Secretary of Defense may waive this.

Paying Agency. The DoD Component or other federal agency authorizing or disbursing payment.

Paying Agent. A military member or DoD civilian employee appointed by the commander to act as an agent of a disbursing officer. The purpose of a paying agent is to make specific payments, currency conversions, or check cashing transactions from funds temporarily advanced to the agent by the disbursing officer. Paying agents are individuals whose regular duties do not involve disbursing functions and who are not organizationally located in the disbursing office. They are appointed to the position of paying agent as a collateral duty and will be under the exclusive supervision of the disbursing officer in all matters concerning custody and disposition of funds advanced to them. They will comply with all instructions and regulations pertaining to their paying agent duties as issued by the disbursing officer. All payments or currency conversions made by a paying agent are made for, and in the name of, the disbursing officer making the appointment. Funds advanced to a paying agent are held at personal risk by the paying agent and must be accounted for to the disbursing officer immediately upon completion of the transaction(s) for which advanced.

★Payments, Claims & Enhanced Reconciliation (PACER) System. A Department of the Treasury system available to obtain digital check images and view check status on-line, containing information and images only for checks issued since October 1997 which have been paid.

Pecuniary Liability. Personal financial liability for fiscal irregularities of disbursing and certifying officers and departmental accountable officials as an incentive to guard against errors and theft by others, and also to protect the government against errors and dishonesty by the officers themselves.

Physical Loss of Funds. A physical loss of funds is defined as:

- a. a loss of official cash by theft, embezzlement, unexplained disappearance, or cash handling errors;
- b. a loss of paid vouchers and/or negotiable instruments from a disbursing office;
- c. a loss of an official deposit en route from a disbursing office to a depository or

after confirmation by a depository;

- d. any payment based on fraudulent, forged, or altered documents prepared or presented by individuals, both accountable and non-accountable disbursing personnel, who work in the disbursing office;
- e. a loss or theft of cash from an imprest fund;
- f. a failure to obtain (or loss of) official receipts and/or documents representing cash;
- g. a loss or destruction by fire, accident, or natural disaster;
- h. stale or unidentifiable DO suspense account charges; or
- i. losses associated with counterfeit currency transactions.

★Presumption of Negligence. Basis for automatically holding a certifying or disbursing officer pecuniarily liable for a fiscal irregularity. See 31 U.S.C. 3527 and 3528; *Serrano v. U.S.*, 612 F.2d 525 (U.S. Ct. of Claims 1979). There is no presumption of negligence for DAOs.

Prevailing Rate of Exchange. The most favorable rate that would be legally available to the U.S. Government for the acquisition of foreign currencies for its official expenditures and accommodation exchange transactions.

Procurement Contracting Officer. Person with authority to enter into and/or terminate contracts and make related findings and determinations.

Receiving Official. Military member or civilian employee of the Department authorized to substantiate the receipt, inspection, and acceptance of goods and/or services.

★Recertified Payment. A replacement payment using a U.S. Treasury check bearing a check serial number different from that of the original check. A recertified check may be issued after presentation and review of required documentation to replace any lost, stolen, or destroyed original check (except for holder-in-due-course situations), regardless of the disbursement purpose (e.g., pay, travel, or vendor payment).

Reconsideration. A creditor organization review of the written debt record. The review will consider debtors' submissions and will result in a new determination as to debt validity and amount and propriety of an offset schedule established other than by agreement with a debtor.

Recovered Check. An original check which is returned to, or recovered by, the disbursing officer after it has been canceled by submission of an SF 1184 (Unavailable Check Cancellation). A recovered check can also be a recertified check which is returned to or recovered by the disbursing officer after the original check which it replaced has been negotiated by the payee.

★Regulatory Agency. Includes the Office of the Comptroller of the Currency, Department of the Treasury; Federal Deposit Insurance Corporation; Board of Governors of the Federal Reserve

System; respective Federal Reserve Banks; National Credit Union Administration; Office of Thrift Supervision; various state agencies and commissions that oversee financial institutions; and, for military banking facilities (MBFs), the Fiscal Assistant Secretary of the Treasury (or designee).

Relief from Liability. Action taken by someone with legal authority to do so, which absolves disbursing and certifying officers or departmental accountable officials of pecuniary liability.

★Remission of Debt. Remission of debt is a request for relief of any indebtedness that a service member has incurred. The remission process is not available to DoD civilian employees.

★Remittance Express (REX). A program which allows the Federal government to receive ACH credits directly from the private sector, for payment to the agency by receiving ACH credit transactions at a unique routing number at the Federal Reserve Bank of Richmond.

Replacement Check. A check issued to replace a check that:

- a. is for a proper payment but the original check has been classified as voided;
- b. has not been reported to the Department of the Treasury as a valid check issue; and
- c. is not cashable due to misprint or mutilation during the issue process.

★Retiree. Military person retired from active duty or a Reserve Component, including those receiving retainer pay.

Review Official. A military member or civilian employee of the Department appointed in writing to conduct pre- and post-payment reviews, to issue and control inquiries, and to initiate charges against the certifying, disbursing, and departmental accountable officials for financial irregularities.

Routine Pay Adjustment. The correction of an overpayment to a member resulting from clerical or administrative error or delay in processing pay documents that is discovered and corrected (that is, collection action is completed) within no more than 2 monthly or 4 biweekly pay periods after the date the overpayment was originally made.

Safekeeping Custodial Officer. A military member or DoD civilian employee appointed in writing by the commander to perform the functions associated with the custody and control of personal funds and valuables held in safekeeping.

★Salary Offset. Deductions from current pay account to liquidate a debt. Deductions can be from basic pay, special pay, incentive pay, retired pay, retainer pay, or in the case of an individual not entitled top basic pay, other authorized pay.

★Service Member. Military person on active duty or belonging to a Reserve Component.

Settlement Office. A disbursing office designated to clear any outstanding transactions and/or deficiencies from the accounts of predecessor disbursing officers. The disbursing officer assigned to the settlement office is referred to as settlement officer.

Small Difference Accounts. The Department of the Treasury is authorized to transfer differences of \$50 or less and more than 6 months old to a small difference account. In lieu of issuing an FMS Form 5206, Advice of Check Issue Discrepancy, the Department of Treasury will automatically adjust for small differences of \$1 or less between the issue amount of a check and the actual amount of the check paid.

Solatia Payment. Monetary compensation given to indigenous personnel to alleviate grief, suffering, and anxiety resulting from injuries and property or personal loss. Sometimes solatia payments are to meet cultural expectations. A solatium payment is nominal in amount, and is not an admission of liability by the U.S.

Special Drawing Right (SDR). An international reserve asset created by the International Monetary Fund (IMF) to supplement the existing reserve assets of its member countries. The SDR is the IMF's unit of account and SDRs may be used by members in transactions with the IMF, other member countries, and other authorized holders. Four currencies (the U.S. dollar, Euro, Japanese yen, and Pound sterling) serve as the basis for determining both the valuation and the interest rate of the SDR.

Spoiled Check. A check that:

- a. has been reported to the Treasury Department as a valid check issue;
- b. has been returned by the payee as not cashable due to mutilation or defect;
- c. represented a valid payment to the payee; and
- d. is less than one year old.

★State Bank. An institution organized and chartered under the laws of one of the states of the United States to operate a banking business within that state.

Supplemental Agreement. The local operating procedures formulated and used by the commanders of the armed forces of two friendly foreign nations, whose governments have signed a basic agreement, as contemplated under DoD Directive 5530.3. Such procedures shall be used in territories of mutual concern to provide each other with emergency financial support, under the policies of the basic agreement. Supplemental agreements may be entered into by commanders of unified or separate armed forces, as considered appropriate.

★Suspension of Collection Action. Suspension of a collection action is a determination to temporarily cease collect action.

Tactical Disbursing Activity. Any tactical unit (including Navy ships) that is authorized to provide disbursing services under an assigned Disbursing Station Symbol Number (DSSN) and is subject to movement from one location to another. Some tactical disbursing activities provide disbursing services on a full-time basis (as in the case of Navy ships). Others perform disbursing services only while in a deployed (or mobilized) status. When not deployed, the DSSNs are held in reserve in an inactive status to be activated on short notice as required.

★Termination of Collection Action. Termination is a determination to cease collection actions with no intention to resume collection action at a later date.

★TGA.net. See Treasury General Account Deposit Reporting Network.

★Thrift Institution. An institution organized and chartered under federal or state law as a Savings Bank, Savings Association, or Savings and Loan Association.

Tolled. A term meaning “to suspend or stop temporarily”, such as an event that suspends the running of time related to a statute of limitations.

Travel Authorizing Official. An individual designated in writing by organizational title having final authority to issue travel orders.

★Transaction Reporting System (TRS). A Treasury system that will be a centralized repository of detailed collection transaction information that will simplify Federal Program Agency revenue management and accounting processes. As a unified repository of collection transactions, TRS will provide a single touchpoint from which an agency can obtain detailed transaction data and standard reports that meet agency needs, and will provide a wide range of business information and business analytical tools.

Travel Order. A document authorizing official government travel.

Traveler. Military member, DoD civilian employee, or invitational traveler traveling in an official capacity.

★Treasury Cash Management System (TCMS). A Treasury FMS application that will manage the settlement of inflows to and outflows from the Treasury’s operating cash account at the Federal Reserve.

★Treasury Check Information System (TCIS). A system that records and reconciles the worldwide issuance and payment of U.S. Treasury checks. Also allows end users to query the Payments, Claims & Enhanced Reconciliation (PACER) system for claim status on Automated Clearing House (ACH) payments.

Treasury General Account (TGA). Those designated commercial banks that specifically have been authorized by the Treasury Department to maintain a demand account in the name of Treasury entitled “Treasury’s General Account” for the purpose of accepting deposits.

★Treasury General Account Deposit Reporting Network (TGA.net). A secure web-based system for over-the-counter (OTC) federal agency deposit reporting and confirmation. This system:

- a. automates the antiquated SF 215 paper OTC process;
- b. streamlines SF 1219 reporting;
- c. provides a solution for the Ca\$hLink II 2010 sunset date;
- d. facilitates the classification of Treasury collections on a daily basis, enhancing Government-wide Accounting (GWA) reporting at the point of deposit;
- e. reduces reporting errors by eliminating financial institution data entry; and
- f. is GWA compatible.

★Treasury Offset Program (TOP). A process that allows agencies to submit delinquent debts to one centralized location, the Financial Management Service, for collection through the offset of all eligible Federal payments.

★Treasury Receivable, Accounting and Collection System (TRACS). A “TIER II” mission-support application system designed to support FDP. A minor application that supports the FMS payment business line as a debt-recovery and accounting system. Utilizes DB2 and associated support applications on a mainframe to provide accounting, financial reporting, debt billing, and collection activity associated with the Treasury check claims process. Assumes the responsibility for the accounting and reporting of check reclamations, unavailable check cancellation (UCC), limited payability cancellation (LPC), and payments over cancellation (POC).

U.S.-Owned Foreign Currency. Currency of a foreign country that is:

- a. owned by the United States;
- b. available in the country of issuance to pay obligations of the United States within that country; and
- c. disbursed by the Department of the Treasury disbursing officer in the country concerned, either directly to a contractor or to a DoD disbursing officer, as appropriate.

Uncurrent Limited Depository Check. A check drawn on a limited depository that is unpaid and outstanding against the limited depository checking account for at least one full fiscal year after the fiscal year in which the check was issued, except where the laws of the country in which the limited depository is located provide that the negotiable period of a check is shorter.

Undeliverable Check. A check that is not delivered to the payee within 60 days after the month of issue.

United States. Unless otherwise qualified, means the 48 contiguous states, the District of Columbia, and the States of Alaska and Hawaii.

United States Use Currency. Currency usually expended through the dollar appropriation process to pay U.S. obligations abroad; to pay for U.S. technical, scientific, and other programs; and to make sales for dollars to U.S. citizens and nonprofit organizations in selected countries.

Valuables. Any articles or things or representations of value in which the United States has any interest, or in connection with which it has any obligation or responsibility.

Vendor. Any person, organization, or business concern engaged in a profession, trade, or business, including a not-for-profit entity operating as a vendor. Includes State and local governments and foreign entities, but excludes Federal entities and foreign governments.

Vendor Express. A Department of the Treasury term for the Electronic Funds Transfer to a company or corporate bank account of the payment due a vendor for rendering goods or services to the government.

Vendor Pay. The process of computing the amount to be paid to a contractor or vendor for all contract/purchase orders, except those administered by the Defense Contract Management Agency. Also refers to a functional pay area (office).

Voided Check. A check that is:

- a. pre-numbered with a serial number;
- b. voided for any reason prior to reporting as a check issue by the disbursing officer;  
and
- c. reported as a zero dollar value issue.

★Voucher. Any document certified by a certifying officer as the basis for a disbursing officer to make a payment. See 31 U.S.C. 3325.

★Waiver of Indebtedness. A request for relief of an indebtedness which resulted from an erroneous payment of pay and allowances (including travel allowances). This process is available to DoD civilian employees and service members.

★Write-off. An accounting action that results in removing the nonfederal (public) receivable from the DoD Component's financial accounting records and financial statements.