

***VOLUME 5, APPENDIX B: “TRAVELERS’ CHECK PROGRAM”**

SUMMARY OF MAJOR CHANGES

All changes are in **blue font**.

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

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

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

†**This is the initial publication of Appendix B.**

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	†As part of the Under Secretary of Defense (Comptroller) Volume 5 Streamlining Initiative, this revision incorporated guidance for the Travelers’ Check Program from Chapter 3 (May 2014).	Addition
B105	Amended the reference relating to retaining permanent files for at least 6 years and 3 months as required by the National Archives and Records Administration.	Revision

Table of Contents

*VOLUME 5, APPENDIX B: “TRAVELERS’ CHECK PROGRAM”.....	1
B101 OVERVIEW.....	4
B102 PURPOSE	4
B103 TRAVELERS’ CHECKS IN LIEU OF CASH.....	4
B104 MISUSE OF TRAVELERS’ CHECKS.....	4
B105 APPOINTMENT OF DESIGNATED REPRESENTATIVE.....	4
B106 SAFEGUARDING AND CONTROLLING TRAVELERS’ CHECKS	4
B10601. General	4
B10602. Control Record.....	5
B107 ESTABLISHING ACCOUNTS.....	5
B10701. New Accounts	5
B10702. Automatic Reporting.....	5
B10703. Obtaining Travelers’ Checks.....	5
B108 RECEIPT OF TRAVELERS’ CHECKS	5
B10801. Receipt.....	5
B10802. Discrepancies	6
B109 REORDERING TRAVELERS’ CHECKS.....	6
B110 CHANGE OF CASHIERS (REPRESENTATIVES)	6
B111 DISBURSING TRAVELERS’ CHECKS.....	6
B11101. General	6
B11102. Disbursing Travelers’ Checks - Option A.....	7
B11103. Disbursing Travelers’ Checks - Option B.....	8
B112 Reporting Travelers’ Check Disbursements and Remitting Payment to the Travelers’ Check Provider	10
B11201. Payment Option A.....	10
B11202. Payment Option B	12
B113 REFUNDS FOR INDIVIDUAL CARDHOLDERS	14

Table of Contents (Continued)

B114 TERMINATION OF AGREEMENT 14

 B11401. DoD Activities 14

 B11402. Individual Cardholder 14

B115 LOSS OF TRAVELERS' CHECKS..... 15

 B11501. DoD Activities 15

 B11502. DoD Activity Cashier..... 15

APPENDIX B

TRAVELERS' CHECK PROGRAM

B101 OVERVIEW

Travelers' checks are preprinted, fixed-amount checks that allow the person signing them to make unconditional payments to a second party as a result of having paid the Travelers' Check Provider for that privilege. Travelers' checks function as cash, and are protected against loss or theft.

B102 PURPOSE

This appendix provides guidance; assigns responsibility for ordering, receiving, controlling, safeguarding, disbursing, refunding, and accounting for travelers' checks; and governs when conflicts or differences exist in the Travelers' Check Provider user's guide.

B103 TRAVELERS' CHECKS IN LIEU OF CASH

Commanders or their designated representatives may disburse travelers' checks in lieu of cash to employees and members as travel advances.

B104 MISUSE OF TRAVELERS' CHECKS

Designated representatives may advise employees and members on the use of travelers' checks (i.e., for the purchase of goods and services while in a travel status). Designated representatives should discourage cashing or depositing travelers' checks in financial institutions. Use available media to advise and periodically reemphasize the intent of travelers' checks to all employees and members.

B105 APPOINTMENT OF DESIGNATED REPRESENTATIVE

Each Department of Defense (DoD) participant in the Travelers' Check Program designates one or more individuals as the DoD activity's travelers' check representative(s). The commander appoints the designated representative using Department of Defense (DD) Form 577, Appointment/Termination Record—Authorized Signature, for accountable positions. Appointees acknowledge appointment acceptance in Section III of this form; see Chapter 2. The original form is given to the cashier and the representatives keep a file copy. Keep appointments and their terminations in a permanent file at the DoD activity to show the successive holders of each position, and retain them for at least six years and three months after the individual ceases to serve in the position.

B106 SAFEGUARDING AND CONTROLLING TRAVELERS' CHECKS

B10601. General

Travelers' checks in the custody of the U.S. Government (i.e., the DoD activity's designated cashier) are public funds; safeguard them as prescribed in this appendix. Cashiers that

maintains, disburses, and accounts for travelers' checks to employees, may be held pecuniarily liable under the same principles and procedures as Disbursing Officers (DOs) and their Deputy DOs, agents, and cashiers. Do not include the value of travelers' checks in the DO's cash accountability or authority to hold cash at personal risk, or in the custody of the cashier on the DO's DD Form 2657, Daily Statement of Accountability, or Standard Form (SF) 1219, Statement of Accountability.

B10602. Control Record

Record the receipt of shipments and records of disbursement of travelers' checks on either DD Form 2667, Subsidiary Accountability Record, or the automated inventory system adopted by the travelers' check issuing company. The DD 2667 is easily adaptable for use as an inventory, receipt, and disbursement record. Use a separate DD 2667 for each denomination of travelers' checks to permit recording by denomination in serial number sequence. If travelers' checks are maintained in more than one currency (i.e., U.S. dollars and one or more foreign currencies), use separate DD 2667 for each currency as well as each denomination of the checks. Disburse travelers' checks in package and serial number sequence.

B107 ESTABLISHING ACCOUNTS

B10701. New Accounts

The DoD activity initially establishes the Travelers' Check Program by contacting one of the participating Travelers' Check Providers.

B10702. Automatic Reporting

The Travelers' Check Provider furnishes DoD activities with automated personal computer software and a point-of-sale (POS) terminal to manage and report travelers' check sales, inventory, and settlement. DoD activities provide the personal computer and communication facility for this system to fulfill the requirement to track, add, tally, and report travelers' check sales.

B10703. Obtaining Travelers' Checks

The DoD activity's designated cashier authorizes the initial travelers' check order, determines the amount of checks to be received as a standard order, and makes subsequent changes to this amount. The Travelers' Check Provider determines how standard order travelers' checks are packaged. The cashier prepares and forwards an enrollment form as the provider directs. If the cashier disburses in other than U.S. currency, the cashier will notify the provider.

B108 RECEIPT OF TRAVELERS' CHECKS

B10801. Receipt

The cashier inventories and documents receipt for each book of travelers' checks and for single (loose) travelers' checks received in shipment. The inventory includes:

- A. Counting the number of books and/or loose checks;
- B. Verifying the denomination and serial numbers of the checks in each shipment; and
- C. Sorting the books or loose checks by denomination (and currency, if applicable).

B10802. Discrepancies

Contact the Travelers' Check Provider immediately if travelers' checks received in shipment do not coincide with the agreement or shipment forms. Do not disburse any checks from a discrepant shipment until the provider acknowledges and agrees in writing to correct or adjust the discrepancies.

B109 REORDERING TRAVELERS' CHECKS

There are two resupply options under the program: automatic and on-request. DoD has chosen the automatic option. This system monitors stock on-hand based on sales data reported internally. Each cashier initially establishes a "percentage of sales" or maximum level (dollar limit), thus establishing the automatic resupply level for the cashier. The cashier also establishes a minimum level ("trigger point") to generate an order for a new supply of checks needed to bring stock level back to the maximum level.

B110 CHANGE OF CASHIERS (REPRESENTATIVES)

Both the outgoing and incoming DoD activity cashiers perform a complete, joint inventory and document all travelers' checks on hand. Both sign the completed inventory, and the DoD activity commander prepares and signs a letter transferring the account. The DoD activity keeps the original inventory and transfer letter, and advises the Travelers' Check Provider by letter each time there is a change of designated cashier. The letter includes the cashier's agent code number and the names of persons authorized to order and receive travelers' checks. Signature specimens are not required.

B111 DISBURSING TRAVELERS' CHECKS

B11101. General

Travelers' checks issuance fees are based on the method of payment to the Travelers' Check Provider under this program. Participating DoD activities may use payment option A or B; option B is preferred.

A. Payment Option A. The Travelers' Check Provider must receive payment plus related fees within 5 calendar days of the date travelers' checks are disbursed. The disbursing office providing disbursing support to the DoD activity participating in the program is the paying disbursing office. Use this option only for disbursement of travelers' checks to members and

employees who are not participants in the U.S. Government Travel Card Program and in instances when the DoD activity does not participate in the central billing process described under payment option B. See subparagraphs B11102 and B11201 for specific procedures for reporting disbursement of travelers' checks and payment for the checks and related fees.

B. Payment Option B (Preferred) Methods of Payment

1. Centrally Billed Accounts (CBA). The CBA method of payment operates under a concept similar to the central billing procedures for purchase and payment for airline tickets. The participating DoD activity obtains a DoD activity travel charge card account. This account is charged for all travelers' checks disbursed to individuals who are not participants in the U.S. Government Travel Card Program. The Travelers' Check Provider bills the DoD activity monthly for all travelers' checks disbursed, plus related fees.

2. Individual Billed Accounts (IBA). The IBA method applies to individuals participating in the U.S. Government Travel Card Program; the checks are charged to the individual cardholder's travel card. The Travelers' Check Provider bills the individual cardholder monthly for the travelers' checks plus related fees. This method is identical to the individual billing procedure currently in effect for using the government travel card at automated teller machines (ATMs) to obtain cash.

B11102. Disbursing Travelers' Checks - Option A

Cashiers disburse travelers' checks to employees and members only upon presentation of approved travel orders and appropriate identification, limiting the maximum amount of travelers' checks disbursed to the amount of the travel advance authorized in the travel order. The cashier completes a Purchaser Application Form (PAF) for each travelers' check disbursement, referring to the Travelers' Check Provider user's guide for disbursing travelers' checks and completing the PAF. Under this payment option, the cashier:

- A. Selects the appropriate travelers' check amount.
- B. Completes a PAF for each pack of travelers' checks disbursed and a separate PAF for each loose traveler's check disbursed.
- C. Ensures the individual inserts his/her name, address, and signature on each PAF.
- D. Gives the travelers' checks, refund information, and customer copy of each PAF to the individual.
- E. Advises the individual to sign each traveler's check in the upper left hand corner immediately. Customers who do not sign travelers' checks immediately upon receipt forfeit their right to refund.

F. Retains three copies of each individual's travel orders and the original and remaining copies of the PAF for preparation of the voucher for payment. Travelers' checks disbursed under this method constitute an advance of travel funds as defined in the Joint Travel Regulations (JTR) Uniformed Service Members and DoD Civilian Employees. As such, each individual receiving travelers' checks under this method must report receipt of the total face value of the travelers' checks on the travel claim as a partial payment. When the traveler settles his/her claim, the value of the travelers' checks is deducted from the total travel entitlement due the traveler. Also, since the fee for the travelers' checks has been paid to the provider, the traveler may not claim reimbursement for it. The traveler is cautioned that failure to report receipt of an advance by travelers' checks on the travel claim results in duplicate payment of travel allowances and may be considered an attempt to defraud the U.S. Government.

B11103. Disbursing Travelers' Checks - Option B

Cashiers disburse travelers' checks to individuals only upon presentation of approved travel orders and appropriate identification, limiting the amount of travelers' checks disbursed to the amount of travel advance authorized in the travel orders.

A. Centrally Billed Account. The cashier:

1. Selects the appropriate travelers' check amounts required to make up the amount of travel advance authorized in the travel orders.
2. Obtains authorization to charge the travelers' checks to the DoD activity charge card account. The cashier refers to the Travelers' Check Provider user's guide for disbursing travelers' checks, completes the required documents, and keys or swipes the travel card (DoD activity credit card) into the POS terminal to obtain an approval code.
3. Completes a PAF for each pack of travelers' checks disbursed and a separate PAF for each loose traveler's check disbursed.
4. Ensures the individual inserts his/her name, address, and signature on each PAF.
5. Imprints the Record of Charge (ROC).
6. Completes the ROC by recording the approval code, the face value of the travelers' checks and the fee amount, ensures the agency account number is recorded in the area for card member account number, and requires the member or employee (customer) to sign the ROC.
7. Gives the travelers' checks, refund information, customer copy of each PAF, and top copy of the ROC to the individual.

8. Advises the individual to sign each traveler's check immediately in the upper left hand corner. Customers who do not sign travelers' checks immediately upon receipt forfeit their right to refund.

9. Retains three copies of each individual's travel orders and the original and remaining copies of the PAF and ROC for reporting disbursement of the travelers' checks and preparation of the voucher for payment upon receipt of the monthly billing. Travelers' checks disbursed under this method constitute an advance of travel funds as defined in the JTR. As such, each individual receiving travelers' checks under this method must report receipt of the total face value of the travelers' checks on the travel claim as a partial payment. When the traveler settles their claim, the value of the travelers' checks is deducted from the total travel entitlement due the traveler. Also, since the fee for the travelers' checks has been paid to the provider, the traveler may not claim reimbursement for it. The traveler is cautioned that failure to report receipt of an advance by travelers' checks on the travel claim results in duplicate payment of travel allowances and may be considered an attempt to defraud the U.S. Government.

B. Individually Billed Account. The cashier:

1. Selects the appropriate travelers' check amounts required to make up the amount of travel advance authorized in the travel orders.

2. Obtains authorization to charge the travelers' checks to the individual's government travel card account, refers to the Travelers' Check Provider user's guide for disbursing travelers' checks and completion of the required documents, and keys or swipes the individual's travel card into the POS terminal to obtain an approval code.

3. Completes a PAF for each pack of travelers' checks disbursed and a separate PAF for each loose traveler's check disbursed.

4. Ensures the individual inserts his/her name, address, and signature on each PAF.

5. Imprints the ROC.

6. Completes the ROC by recording the approval code, face value of the travelers' checks and fee amount; and ensuring the individual's account number is recorded in the area for card member's account number; and the member or employee (customer) signs the ROC.

7. Gives the travelers' checks, refund information, customer copy of each PAF, and top copy of the ROC to the individual.

8. Requests the individual to sign each traveler's check immediately in the upper left hand corner. Customers who do not sign travelers' checks immediately upon receipt forfeit their right to refund.

9. Retains two copies of the individual's travel orders and the original and remaining copies of the PAF and ROC for reporting disbursement of the travelers' checks. Travelers' checks disbursed under this method do not constitute an advance of travel funds under the JTR. Individuals receiving travelers' checks by this method do not report them on the travel claim as a partial payment. Since the fee for the travelers' checks must be paid to the Travelers' Check Provider by the individual cardholder in settlement of the travel card account, the traveler is entitled to reimbursement for the fee on the travel claim.

B112 Reporting Travelers' Check Disbursements and Remitting Payment to the Travelers' Check Provider

B11201. Payment Option A

The preparation of the report of disbursement and payment documentation for packaged travelers' checks differs from the report for loose travelers' checks. At the close of each business day, the cashier follows the appropriate instructions.

A. Packaged Travelers' Check Disbursements

1. Sort PAFs by denomination.
2. Calculate total by denomination.
3. Complete a Daily Sales Summary Form (DSSF). Refer to the Travelers' Check Provider user's guide for instructions.
4. Combine the forms into package sets:
 - a. Completed DSSF,
 - b. PAFs,
 - c. Authorizations (travel orders), and
 - d. Calculated totals.
5. Prepare an SF 1034, Public Voucher for Purchases and Services Other Than Personal, for the total amount due the Travelers' Check Provider including the fee for the travelers' checks disbursed. Cite a separate line of accounting (LOA) for each travel order involved. The amount charged to each LOA is the amount of travelers' checks plus the applicable fee assessed to each individual.
6. Send the SF 1034 and two of the package sets to the DoD activity's supporting disbursing office on the same business day when possible, but not later than the morning of the next business day. Send one package set containing the original DSSF and

PAFs to the provider with the U.S. Treasury check issued in payment of the travelers' checks and related fees. Keep the second package set in the disbursing office.

7. Keep a complete package set and a copy of the SF 1034 for reconciliation of travelers' check inventory and payment documentation. After payment, the cashier must obtain a copy of the completed SF 1034 from the disbursing office to complete his/her retained records. If a copy of the completed SF 1034 is not available, the cashier must obtain the disbursing office voucher number, payment date, and check number and transcribe it to his/her retained copy of the SF 1034.

B. Loose Travelers' Check Disbursements

1. Sort PAFs by denomination.

2. Calculated amounts. No DSSF is required for loose travelers' check disbursements.

3. Combine the forms into package sets:

- a. PAFs,
- b. Authorization (travel orders), and
- c. Calculations by denomination.

4. Prepare and certify an SF 1034 for the total amount due the Travelers' Check Provider including the fee for the travelers' checks disbursed. Cite a separate LOA for each travel order involved on the SF 1034. The amount charged to each LOA is the amount of travelers' checks plus the applicable fee assessed to each individual.

5. Send the SF 1034 and two of the package sets to the DoD activity's supporting disbursing office on the same business day when possible, but not later than the morning of the next business day. Send one package set containing the original DSSF and PAFs to the provider with the U.S. Treasury check issued in payment of the travelers' checks and related fees. Keep the second package set in the disbursing office.

6. Keep a complete package set and a copy of the SF 1034 for reconciliation of travelers' check inventory and payment documentation. After payment, the cashier must obtain a copy of the completed SF 1034 from the disbursing office to complete his/her retained records. If a copy of the completed SF 1034 is not available, the cashier must obtain the disbursing officer voucher number, payment date, and check number and transcribe it to his/her retained copy of the SF 1034.

B11202. Payment Option B

The Travelers' Check Provider bills the DoD activity's CBA or IBA for travelers' checks disbursed plus the related fees. The monthly billing is based on the daily report of travelers' checks disbursed that the cashier submits to the provider. The cashier refers to the travelers' checks provider user's guide for complete details on preparing and submitting the daily travelers' check disbursement (sales) report. The cashier also complies with the following:

A. Centrally-Billed Account. At the conclusion of each individual travelers' check disbursement, the cashier separates the documentation by individual transaction into a package set as described in this paragraph. Provide a complete record of travelers' check issuance. At the end of each business day, the cashier sends that day's packages as directed by the Travelers' Check Provider. The cashier keeps the cashier and disbursing office copies of each package set for use in reconciling the monthly billing and preparing and certifying the voucher for payment.

1. The package set for the Travelers' Check Provider should include the following documents:

- a. Original (top copy) of the PAF,
- b. Bottom copy of the ROC, and
- c. Copy of the travel orders.

2. The package set for Cashier Files should include the following:

- a. Center copy (yellow tissue copy) of the PAF,
- b. Center copy (Service Establishment copy) of the ROC, and
- c. Copy of the travel orders.

3. The package set for the Disbursing Office should include the following documents:

- a. Center copy (green tissue copy) of the PAF, and
- b. Copy of the travel orders.

Upon receipt of the bill (statement of charges), the cashier reconciles all items appearing on the bill with the cashier's and disbursing office copies of the retained package sets. After reconciliation, the cashier prepares an SF 1034 for the total amount due the Travelers' Check Provider (including the fee for the travelers' checks disbursed). Cite the appropriate LOA from each travel order on the SF 1034. The amount charged to each LOA is the amount of travelers' checks plus the applicable fee for the travelers' checks disbursed to the individual named in the travel order. Send

the SF 1034 and two of the package sets to the DoD activity's supporting disbursing office on the same business day when possible, but not later than the morning of the next business day. Send one package set containing the original DSSF and PAFs to the provider with the U.S. Treasury check issued in payment of the travelers' checks and related fees. Keep the second package set in the disbursing office.

4. Keep a complete package set and a copy of the SF 1034 for reconciliation of travelers' check inventory and payment documentation. After payment, the cashier must obtain a copy of the completed SF 1034 from the disbursing office to complete his/her retained records. If a copy of the completed SF 1034 is not available; the cashier must obtain the disbursing office voucher number, payment date, and check number and transcribe it to his/her retained copy of the SF 1034.

B. Individually-Billed Account. Individual government travel cardholders are billed for all travelers' checks disbursed to them, just as they are billed for ATM cash advances. The individual cardholder is responsible for direct payment to the provider for the amount of the travelers' checks plus the related fee. The monthly billing, which is similar to a centrally billed account, is based on the daily report of travelers' checks disbursed that the cashier submits to the provider. The cashier refers to the travelers' checks provider user's guide for complete details on preparing and submitting the daily travelers' check disbursement (sales) report. The cashier also complies with the guide's minimum requirements. Upon completion of each travelers' check disbursement, the cashier segregates the documentation by individual transaction into package sets for a complete record of travelers' check issuance. At the end of each business day, the cashier sends that day's package sets as directed by the Travelers' Check Provider. The cashier keeps a copy of each package set for use in reconciliation of travelers' check disbursements, as necessary.

1. The package set for the Travelers' Check Provider should include the following:

- a. Original (top copy) of the PAF,
- b. Bottom copy of the ROC, and
- c. Copy of the travel orders.

2. The package set for Cashier Files should include the following:

- a. Center copies (yellow and green tissue copies) of the PAF,
- b. Center copy (Service Establishment copy) of the ROC, and
- c. Copy of the travel orders.

C. Remitting Payment by the DO. Upon receipt of the SF 1034 and supporting documentation, the DO processes the SF 1034 and issues a U.S. Treasury check to pay for travelers' checks and fees assessed under options A and B. Under option A, payment for travelers' checks disbursed plus related fees is due within five days of travelers' check issuance, and under option B within five days of receipt of the monthly billing.

B113 REFUNDS FOR INDIVIDUAL CARDHOLDERS

An individual is not responsible for the amount of lost or stolen checks so long as he/she satisfied all of the requirements in the Recipient Agreement. The provider clears their account to eliminate responsibility for the amount of lost or stolen checks replaced in the form of cash or travelers' checks. The provider bills the individual card account upon issuance of the travelers' checks or cash. As an alternative, the provider may resupply travelers' checks, which can be ordered through the cashier.

B114 TERMINATION OF AGREEMENT

B11401. DoD Activities

Upon termination of the contract between the General Services Administration and the Travelers' Check Provider, DoD activity cashiers destroy all travelers' checks on hand by burning or shredding within 15 calendar days. The cashier prepares a DD Form 2669, Destruction Schedule for Currency that describes the travelers' checks by serial number, currency (U.S. or other), denomination, quantity, and total value; and sends the original DD 2669 to the provider. The DoD activity keeps a copy for its records. Also, the cashier returns any equipment, display material or other property furnished.

B11402. Individual Cardholder

The DoD activity or the travel card provider may suspend or terminate an individual's participation in the U.S. Government Travel Card Program in accordance with the terms of the cardholder agreement. In the event of termination, the individual agrees to:

- A. Not cash the remaining travelers' checks,
- B. Cut out the lower right corner where the chairman's signature appears or write "VOID" across the face of each travelers check in non-erasable ink, and
- C. Return all uncashed travelers' checks to the provider or the DoD activity cashier. The provider bills the individual credit card account for the amount of travelers' checks not returned within 15 calendar days after termination of participation in the program. The individual cardholder must settle his/her credit card account statement on receipt.

B115 LOSS OF TRAVELERS' CHECKS**B11501. DoD Activities**

In case of loss of any proceeds of sale or travelers' checks the DoD activity must notify the Travelers' Check Provider immediately and reports the loss of funds as prescribed in Chapter 6. This applies to loss as a result of theft, burglary, holdup, fire, employees or member dishonesty, or any other cause. All monies due in accordance with the established agreement with the provider will be paid by the DoD activity.

B11502. DoD Activity Cashier

The loss of travelers' checks or proceeds of sale while in the custody of the DoD activity's cashier is a physical loss of government funds. See Chapter 6.