

VOLUME 5, CHAPTER 3: “OBTAINING AND SAFEGUARDING PUBLIC FUNDS”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

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

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

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

The previous version dated **July 2018** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
030205	Added guidance to the paragraph titled “Obtaining Cash for Disbursing Purposes” for Disbursing Officer’s (DO) Cash classifications from the Treasury Daily Reporting Policy Memo FPM 19-14 to the paragraph.	Addition
030205.A.2	Amended the subparagraph title and included Treasury’s Central Accounting Reporting System classifications for U.S. Treasury Check/ Electronic Funds Transfer Exchange-for-Cash transactions from the Treasury Daily Reporting Policy Memo FPM 19-14.	Revision
030205.C	Added subparagraph titled “Cash Held for Operating Requirements” and Treasury’s Central Accounting Reporting System classifications from the Treasury Daily Reporting Policy Memo FPM 19-14.	Addition
030206	Added guidance to the paragraph titled “Treasury Account Symbol for DO Cash” paragraph from the Treasury Daily Reporting Policy Memo FPM 19-14.	Revision
030207	Added paragraph titled “Reconciling Disbursing Officer Cash” and guidance from the Treasury Daily Reporting Policy Memo FPM 19-14.	Addition
030401.A	Added guidance to the paragraph titled “Deputy Disbursing Officers, Agents, and Cashiers” subparagraph from the Treasury Daily Reporting Policy Memo FPM 19-14.	Revision
030402.B	Added guidance to the paragraph titled “Cash to Paying Agents” subparagraph from the Treasury Daily Reporting Policy Memo FPM 19-14.	Revision

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PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Figure 3-2	Deleted the Department of Defense (DoD) Form 165, “Shipment of Funds,” which can be found at DoD Forms Management. (https://www.esd.whs.mil/Directives/forms/).	Deletion

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CHAPTER 3**OBTAINING AND SAFEGUARDING PUBLIC FUNDS**

0301 GENERAL

030101. Overview

The Department of the Treasury (Treasury) holds funds appropriated by the Congress subject to disbursement by disbursing officers (DOs) of the United States. When necessary to disburse in cash, upon approval of the commander or other authority, DOs may obtain and maintain cash on hand at their personal risk (a cash holding authority (CHA)) for official disbursements and accommodation exchanges (see paragraph 030201). Department of Defense (DoD) DOs must safeguard all items identified as public funds that they receive and account for to the Treasury periodically (see Chapter 15, paragraph 150103). DOs outside the United States may maintain official checking accounts, known as limited depositary accounts (LDAs), in foreign currency with banks approved by the Treasury (see Chapter 14, section 1402).

030102. Purpose

The purpose of this chapter is to provide DoD's policy on DoD DOs' responsibilities to obtain and safeguard cash, negotiable instruments, and other items that comprise public funds.

030103. Authoritative Guidance

Title 31, United States Code (U.S.C.), [section 3302](#) authorizes DOs to have custody of public funds for disbursement purposes and requires them to safeguard the funds.

0302 CASH OPERATIONS

030201. Cash Held at Personal Risk

Funds that qualify as cash held at personal risk include U.S. and foreign currency and coin, imprest funds, change funds, cash with agents (e.g., paying agent (PA)), and cash on deposit in an LDA. DOs use cash to make miscellaneous cash payments, make change, conduct accommodation exchanges, and make other specifically authorized transactions.

030202. Approving Authorities

A commander, director, equivalent civilian head, or designee (see Definitions Chapter) has the authority to approve CHAs for DOs, Deputy DOs (DDOs), agents, and cashiers within their commands. The Defense Finance and Accounting Service (DFAS) Director or designee approves requests for DFAS DOs. DFAS DDOs, agents, and cashiers outside of the main DFAS disbursing office may hold cash at personal risk, with the amount to be held subject to the approval of the parent DO and the local activity commander based on his/her responsibility to safeguard public funds (see section 0303). Keep cash on hand at the minimum amount necessary to meet normal

requirements. Approving authorities review each request to ensure that good cash management procedures are in effect.

030203. Determining Cash Requirements

A. General. DOs should consider daily cash collections of all DDOs, agents, cashiers, and other custodians of public funds over a representative period of time, and average the results to determine cash requirements. If daily cash collections exceed disbursement and accommodation needs, no additional computation is necessary. If collections do not exceed disbursements, use the following table to compute the cash requirements according to the time to obtain funds from the source, weekly cash transaction volume, and the maximum amount authorized.

LEVELS OF AUTHORIZED CASH HOLDINGS		
If the source of funds is	and weekly requirements are:	hold cash to operate for:
Reasonably close (not more than 24 hours required to obtain cash)	\$500 or less	4 weeks
	Over \$500 but less than \$5,000	2 weeks
	\$5,000 but less than \$100,000	1 week
	\$100,000 and over	3 days
Not reasonably close (24-48 hours required to obtain cash)	\$2,500 or less	4 weeks
	Over \$2,500 but less than \$50,000	2 weeks
	\$50,000 and over	1 week
Remote (more than 48 hours required to obtain cash)	\$50,000 or less	4 weeks
	Over \$50,000	2 weeks

To preclude temporary increases due to extreme currency fluctuations, the portion of the DO's request to hold foreign currency at personal risk may be stated in foreign currency units. See Figure 3-1 for a suggested procedure for computing average daily cash requirements. Consider the following types of disbursements:

1. Routine cash payments;
2. Emergency cash payments;
3. Cash travel advances for non-cardholder temporary duty and permanent change of station travelers;
4. Foreign currency requirements for accommodation exchanges;
5. Personal check cashing transactions (see Chapter 4);

6. Cash transactions of remote DDOs, cashiers, and agents; and
7. Cash requirements for managing foreign government contributions (burdensharing funds).

B. Special Circumstances. When special circumstances require DOs to increase their CHA beyond the amounts discussed in subparagraph 030203.A (e.g., operational contingencies), describe the circumstances and duration of the expected need for increased cash in the request for approval to increase cash held at personal risk. If the circumstances are more than temporary (over 30 days) or expected to become permanent, the DO re-computes their CHA and submits a new request based on the anticipated services.

C. Cash Collections. DOs and their agents may hold cash collections for operating requirements within their CHA. Immediately deposit cash collections that increase cash on hand above the authorized limit (see Chapter 11, section 1108).

030204. Requests for Approval

A. A DO requests a CHA from the approving authority cited in paragraph 030202. Do not include scheduled payday cash requirements (e.g., the amount required to cash payday paychecks) in a request. The approving authority ensures that the requested amount follows the guidance in paragraph 030203 and that management controls exist to ensure the conduct of routine reviews of cash requirements. Submit requests semiannually allowing enough time for CHA authority to become effective on October 1 and April 1 of each year. Also, submit a request whenever a review of cash requirements results in a major change. Include in the written request:

1. The name, title, and duty station of the accountable requestor;
2. A description of the transactions requiring the use of cash;
3. A statement that adequate facilities are available to safeguard the cash (see section 0303); and
4. A breakdown of cash by accountable position.

B. A CHA request includes the amount to be held personally by the DO and the DO's DDOs, agents, cashiers, and other custodians of public funds, but not amounts to be held by authorized imprest fund cashiers and change fund custodians which receive separate approval. The approving authority approves all requests by an endorsement and returns them to the DO for retention. To preclude compromise of classified information, CHA requests for emergency and extraordinary expense funds may omit security items (e.g., duty station, description of payments, facility location, or other details), but keep this information on file for review by cleared personnel.

*030205. Obtaining Cash for Disbursing Purposes

Funds that qualify as cash held at personal risk, also known as DO's cash, include U.S. and foreign currency and coin, imprest funds, change funds, cash with agents (e.g., paying agent), negotiable checks (not check stock), and cash on deposit in a limited depositary checking account (LDA). The Central Accounting Reporting System (CARS) DO cash Treasury Account Symbol (TAS) (see paragraph 030206) balance amount should never exceed the approved cash holding authority amount or the balance amount of the days ending cash on hand.

A. Available Procurement Methods

1. Exchange-for-Cash Checks. DOs may draw exchange-for-cash checks (see Chapter 7, section 0707) payable to the DO or DDO who procures the cash. The DO or DDO endorses the check to the name of another DO or DDO, or the name of the financial institution. DOs may obtain cash from other DOs, a Federal Reserve Bank (FRB) or branch, or any commercial bank willing to provide the service, to include overseas Military Banking Facilities (MBFs). If a DO or DDO is unable to go to the bank to take possession of the funds due to excessive workload or location, he or she may arrange for the FRB or financial institution to ship the funds by registered mail or armored car. The local commander approves and funds this type of delivery.

* 2. U.S. Treasury Check/Electronic Funds Transfer (EFT) Exchange-for-Cash. DOs or DDOs may procure cash (U.S. dollars (USDs) or foreign currency) for authorized disbursements and accommodation transactions overseas using EFT. Coordinate with an authorized MBF or local LDA for an account to receive the transfer as an Automated Clearing House or International Treasury Services (ITS.gov) transaction, and determine the exchange rate on the date of crediting to the DO's account. DOs must cite the DO Cash TAS associated with their Service on the Optional Form (OF) 1017-G, Journal Voucher, as stated in the DoD FMR Volume 5, Chapter 7 when issuing a U.S. Treasury check or EFT for cash. These transactions are reported to the Payment Information Repository (PIR), which will feed the CARS daily account statement showing an increase to DO cash. Note – an issued U.S. Treasury check for cash is considered cash from a reporting standpoint regardless if negotiated.

3. Transfers Between DOs. DoD DOs may transfer funds among themselves following the same exchange-for-cash procedures used to procure cash. They may also accomplish these transfers using lines 2.37, Transfers from Other DOs, and 4.37, Transfers to Other DOs, of the DoD (DD) Form 2657, Daily Statement of Accountability, and Standard Form (SF) 1219, Statement of Accountability, but must coordinate to ensure they report this amount in the same reporting period (see Chapter 15, section 1505 and section 1506). Transfers must be reported by both DOs via two CTA transactions to reflect a decrease to the DO reducing the funds and an increase to the DO receiving the funds.

B. Notification to the Treasury. The Treasury Financial Manual, Volume I, Part 4A, section 4020 identifies Treasury's requirement to maintain and update its operating cash balance (i.e., the government's cash flow). DOs must therefore provide the Treasury with advance

notice of their cash requirements and other related information. For additional guidance on disbursement forecasting, see Chapter 9, section 0903.

* C. Cash Held for Operating Requirements. DOs that maintain physical cash associated with a DD 1131, Cash Collection Voucher, must cite the appropriate Standard Line of Accounting (SLOA), which will include the TAS/BETC, for the collection transaction. Multiple collection vouchers may be consolidated under one transaction reported to Treasury at the end of day as long as they fall under the same program TAS/BETC and ALC. DOs must ensure that any consolidated transactions have an audit trail that can be validated at the individual transaction level. These transactions are reported to the CTA, which will feed the CARS daily account statement showing an increase to the DO cash TAS and an increase to the TAS on the collection voucher. This will increase DO accountability to reflect the entire amount of cash collected in as being retained for operating requirements.

D. Protection of Currency in Transit

1. Notification to Commander. A DO or another accountable official, either leaving the disbursing activity or arriving to pick up \$10,000 and above, notifies the commander and the security police through the command or other duty officer. The DO must provide the time of departure, destination, estimated time of return, amount, and the source or disposition of the funds, as appropriate, for entry in the ship or station log.

2. Transporting Cash. The commander of the installation requesting cash is responsible to secure that cash at all times. The decision to have an armed escort, how many, or the type of transportation to be used is a command responsibility. The commander should consider such things as the amount of cash, distance and terrain, and type of transportation and local security forces available.

3. Liability. An accountable official (DO, DDO, agent, cashier, or other custodian of public funds) who has signed for the cash is pecuniarily liable for it pending its return to the DO. An accountable official who feels that the command has not provided adequate security may refuse to disburse such funds and return them to the DO.

E. Verification of Money. The accountable official verifies all cash received before acceptance. Verify unsealed money by actual count before acceptance or immediately upon receipt of shipment. The DO or DDO, at their own risk, may bundle-count sealed new money bricks presented with the FRBs packaging intact. When opening a bundle, verify it immediately upon opening with individuals present to witness both the breaking of the seal and the count. The accountable official must report discrepancies immediately by issuing a claim to Treasury via the bank that provided the money. Identify the bundle or brick in question and include a signed statement from the witnesses. For a disapproved claim, follow the request for relief of liability procedures in Chapter 6, section 0606. Verify and accept cash shipped to the accountable official in front of witnesses immediately upon receipt following these procedures, depending upon how the money is packaged.

F. Expenses. Charge bank fees and shipping costs incurred when procuring U.S. or foreign currency to the disbursing activity's operating fund account.

G. Accounting for Premiums on Sales of Public Moneys or Securities. Under [31 U.S.C. § 3341](#), DOs of the U.S. Government may sell government warrants, checks, drafts, or obligations not the property of the official at a premium, or dispose of the proceeds of the warrant, check, draft, or obligation, only if the official deposits the premium and the proceeds in the Treasury or with a depository for the credit of the government. Credit General Fund Accounts 20 3220, General Fund Proprietary Receipts, Not Otherwise Classified, All Other, for the USD equivalent (USDE).

H. Registered Mail Shipments. Send an exchange-for-cash check to an FRB or MBF by registered mail. Keep a copy of the check and report it on line 6.7, as Cash in Transit, (see Chapter 15, section 1506) on the SF 1219 until the cash is received. When a DO is aware that the FRB or MBF has shipped the cash and has not received that cash within a reasonable period of time, contact the shipper to request the shipment be traced (see paragraph 030505). This is the least preferred method to obtain cash. Use it only after determining that all other procurement methods are not feasible.

I. Obtaining Cash by Transfer from Officer Relieved. DOs may obtain cash funds by transfer from another DO without the issuance of an exchange-for-cash check only upon the relief of a DO and only from the DO being relieved (see Chapter 2, paragraph 020406).

*030206. Treasury Account Symbol (TAS) for DO Cash

A TAS is established for each DoD Component to document the balance of DO cash held outside of the Treasury. The Treasury and the Office of Management and Budget determined that this fund group presents a reporting model consistent with the [Statement of Federal Financial Accounting Standards 31](#) for unique activities for other Federal Program Agencies to record non-fiduciary, non-budgetary activities with Government (Federal) sources or Funds. DOs operating in a CARS daily reporting environment must classify each cash transaction with the DO Cash TAS. Cash funds obtained via a U.S. Treasury check or EFT are classified through PIR. Operating cash reductions and accommodation exchange transactions are reported through [Collections Information Repository](#). Cash disbursements, cash collections, and cash transfers between DOs not deposited and/or maintained in the DOs accountability are reported through Classification Transactions and Accountability ([CTA](#)). The TAS for DO cash does not impact the current DO reporting environment as referenced in Chapter 15. DFAS Accounting sites utilize monthly SF 1219 data to report the DO Cash to the proper TAS. The TASs for DO cash are:

- A. 017 X 6950 DO Cash, Department of Navy;
- B. 021 X 6951 DO Cash, Department of Army;
- C. 057 X 6952 DO Cash, Department of Air Force;

- D. 097 X 6953 DO Cash, Defense Agencies; and
- E. 096 X 6954 DO Cash, Corps of Engineers, Civil.

*030207 Reconciling Disbursing Officer Cash

DOs must reconcile daily all transactions reported on the DD 2657 and DO Cash TAS reflected on the CARS daily account statement. Funds obtained for disbursing purposes are reported through and reconciled with PIR (DoD FMR Volume 5, Chapter 11, paragraph 111004). Cash deposited and accommodation transactions are reported through and reconciled with CIR (Chapter 11, paragraphs 111103 and 111104). Cash disbursements, cash collections, and cash transfers between DOs not deposited and/or maintained in the DOs accountability are reported through and reconciled with CTA. To facilitate the reconciliation of cash transactions, DOs must maintain a log of all cash transactions, annotating the DO Cash TAS associated with each transaction. The log of cash transactions must include:

- A. The DD 2659, Voucher Control Log; and
- B. The detailed deposit activity report; or
- C. A system generated report from the disbursing system.

0303 SAFEGUARDING CASH AND RELATED DOCUMENTS

030301. General

The commanders' and DOs' responsibilities to safeguard cash and other assets, related instruments, and supporting documents are described in paragraph 030302. All accountable officials are responsible for safeguarding public funds. DOs should minimize the number of accountable officials required to store public funds. Use the most secure container, vault, or safe available to safeguard, in order of priority, currency, undelivered checks, negotiable instruments, paid vouchers, blank U.S. Treasury and LDA checks (see Chapter 7, paragraph 070307), signature media, valuables (see Chapter 16, section 1603), and other records. The command security program must consider the maximum amount of each of these items that would normally be on hand at any time. Store classified material separately from public funds and documents.

030302. Responsibilities

- A. The Commander. The responsibilities of the Commander include:
 - 1. Approves a DO's request to hold cash at personal risk, and is responsible for ensuring unannounced quarterly verification of cash and other assets in the disbursing office (see Appendix A);
 - 2. Provides every individual entrusted with public funds with a vault, safe, or other adequate secure facility (e.g., a strong box) for the exclusive use of the assigned

individual. If it is not possible to provide separate safes, furnish separate locked compartments in a safe or separate strongboxes stored in a safe or vault. Always store public funds separately from other funds;

3. Develops a security program and publishes it in a command instruction or notice. The security program must provide adequate protection for the maximum amount of public funds and related documents and instruments on hand at any given time;

4. Ensures personnel protection is included in the overall disbursing security program. This includes the requirements for periodic review of the adequacy of the security measures in place and for testing the security equipment for proper operation on a semiannual basis;

5. Provides armed guards for the escort of public funds to and from the disbursing office. When necessary, acquires an armored car service using locally-available mission funds (see subparagraph 030205.C.2); and

6. Provides fire protection of government facilities and funds.

B. DOs.

1. DOs safeguard all public funds they collect or otherwise have in their custody or control, and they are accountable and subject to pecuniary liability for their loss. DOs are prohibited from lending, using, depositing, or exchanging public funds in their possession for other funds except as specifically allowed by law. DOs secure public funds until ordered by proper authority to transfer or disburse them. When DOs receive orders for transfer or payment, they execute transactions and perform all other duties as imposed by law or regulations in conformity to the law. In case of disaster, DOs should secure and preserve the accounts of all personnel, public money, and other papers and property in order of their importance as circumstances permit (see section 0308).

2. DOs, DDOs, agents, cashiers, custodians, or alternates with custody of public funds assign each person a separate secured container. Although all appointed or assigned accountable officials are liable for any loss of public funds in their custody, the DO holds overall responsibility and is subject to pecuniary liability, jointly or severally, for any losses associated with these personnel. Therefore, DOs ensure that all DDOs, agents, cashiers, imprest fund cashiers, and other custodians of public funds are fully aware of their responsibilities to properly handle and protect public funds. The DO or designee personally inspects office security, keeping a record of each inspection, at least semiannually to ensure that:

a. Vaults and safes are not accessible to unauthorized persons (e.g., limit access to vaults using vault day gates to which only authorized personnel have the keys);

b. Cash in excess of the amount required and authorized for official purposes is deposited promptly;

- c. Windows and doors are limited and barred and/or locked at all times after business hours;
- d. Access to the working area is marked conspicuously with “AUTHORIZED PERSONNEL ONLY.” Conduct transactions from a cage, room, or counter enclosure, constructed to provide a physical barrier to normal traffic with minimal interference from other activities and personnel of the office;
- e. Security devices for the check signing machines, digitized signature media, meters, and plates are in the custody of the DO or authorized DDOs at all times;
- f. Internal office procedures are established and implemented to provide adequate controls on all undelivered and returned checks. Assign responsibility of checks, which includes receipt, holding, and final distribution, in writing;
- g. The commander is aware of any security shortfalls or breaches, and any request for adequate safeguarding facilities previously denied. Inform the supporting DFAS site of unresolved facility issues that relate to the ability to safeguard public funds;
- h. All DDOs, agents, cashiers, and custodians receive written and oral instructions regarding the proper care and handling of cash and other accountable documents. The DO should keep an affidavit from each accountable individual attesting to receipt of such instructions;
- i. All cash, blank Treasury and LDA checks, and related items are kept in a vault, safe, or security container that meets minimum security standards prescribed in section 0303;
- j. All safes and security containers aboard ships and on installations that are on rollers or weigh less than 750 pounds are stored in a vault or secured in such a way as to prevent movement;
- k. A vault, safe, or security container visible to the exterior of the office is illuminated;
- l. The combinations of all vaults, safes, and security containers are changed at least once every 6 months and upon relief, transfer, separation, or discharge of the accountable official. The accountable official is prohibited from sharing the combination or key with anyone and places the combination of each safe and duplicate key of each strong box in separate sealed, signed, and dated envelopes such that an unauthorized opening can be detected. The DO keeps the sealed envelopes of all accountable officials in his or her safe or vault and delivers the combination and/or keys to their safe or vault to the commander, security officer, or another designated official for retention. Authorized personnel access the sealed combinations only in an emergency requiring the opening of the safe or vault;

m. A record of combination changes, dated and signed by the accountable official, is kept inside each vault, safe, or container;

n. To limit the possibility of the combination being observed, the dial to the vault, safe, or container is concealed by a shield made of suitable material;

o. The name and phone number of the accountable official is posted on the inside of the vault, safe, or container. DOs may use an [SF 701](#), Activity Security Checklist, or [SF 702](#), Security Container Check Sheet, as appropriate, to assist in the control and proper safeguarding of public funds stored in vaults, safes, and/or containers. If the forms are not available, post a unique container number along with a “24 hour” duty phone number on the outside of the vault, safe, or container allowing the duty personnel to contact the accountable official;

p. Keys to the workspace or disbursing office are strictly controlled. Keep a record that identifies who has keys and when they were issued and surrendered; and

q. All security equipment is tested at least every 6 months for proper operation. Keep a record of the tests maintained.

030303. Intrusion Detection Systems (IDS)

A. General. IDS are vital to any system that provides in-depth protection for a secure area. The DoD supports a policy on the use of IDS for resource protection purposes. The commander, in the exercise of his or her responsibility to provide security, considers components of the DoD Joint-Services Interior IDS. In special cases, components of the base and installation security system, generally used for security applications, may also be available for resource protection requirements.

B. Alarms. Consider using alarms to deter entry to the general disbursing area or actual storage container. There are three levels of alarm protection: penetration, motion, and point detection. A minimum of two levels of detection capability provides the best in-depth protection. Post conspicuous warnings of the existence of alarms and publicize the existence of alarms to gain the full benefit of psychological deterrence.

C. Maintenance. Maintain and regularly test a system maintenance program to ensure the alarm system operates properly. Protect against bypassing the alarm system consistent with DoD requirements.

D. Alarm Monitor Responsibilities. Train monitors to understand, operate, and monitor the alarm system so they may work closely with the security police and unit personnel, and act as a liaison in this special role.

030304. Storage Containers

A. Categories1. Vaults and Safes

a. Vaults. When possible, provide a disbursing office a built-in, fire-resistant vault with at least a three-position, dial-type combination lock; with the door and vault being able to resist a fire for a minimum period of two hours. Store all safes containing funds and when possible, the instruments and documents cited in subparagraph 030304.B, in the vault. Follow the requirements of the DoD Physical Security Equipment Guide, UG-2045-SHR, when constructing new vaults, doors, and intrusion devices.

b. Safes. When vaults are not available, DOs, DDOs, agents, cashiers, and other custodians of public funds use combination three-tumbler lock, tool-resistant safes available at General Services Administration (GSA) Global Supply or GSA Federal Supply Schedules (FSS) to store public funds. If such a safe is not available, use a field safe secured properly to an immovable object. Post a guard in an unsecured building at the direction of the commander. Store irreplaceable checks, bonds, or other perishable records in combination three-position, dial-type, insulated, and built-in fire-resistant money cabinets/safes. For temporary storage, Class 5 file cabinets with three-position, dial-type, and built-in combination locks can be used to protect against forced entry. File cabinets with steel lock bars or without forced-entry protection are not adequate.

2. Security Containers. Class 1 and Class 5 cabinets provide the greatest protection against forced entry. GSA approved security containers have the following Federal specifications:

Type	Specifications
Class 1 or Class 2 Cabinet	AA-F-357 (GSA-FSS)
Class 4 or Class 5 Cabinet	AA-F-358 (GSA-FSS)
Class 5 or Class 6 Map and Plan File	AA-F-363 (GSA-FSS)
Class 6 Drawer File	AA-F-358 (GSA-FSS)

3. Burglary Resistant Safes. The intent of burglary resistant safes is to prevent forced entry. The numerical value cited represents the time in minutes that the safe will resist forced entry. These safes provide a greater degree of protection than GSA rated security containers. Commercial burglary resistant safes are certified by Underwriters Laboratories according to the following classifications:

Type	Classification
Tool-Resistant Safe (TL)	TL-15 or TL-30
Torch and Tool-Resistant Safe (TRTL)	TRTL-30 or TRTL-60

B. Requirements

1. Currency, Negotiable Instruments, and Paid Vouchers. DoD Component security and resource protection programs ensure compliance with the following minimum requirements for storing currency, negotiable instruments, and paid vouchers. Previously approved storage containers currently in use may continue to be used. The Naval Sea Systems Command may designate specific containers for use on Navy ships.

a. Under \$7,500. Commanders establish these requirements. Any security container or burglary resistant safe listed in subparagraph 030304.A is acceptable.

b. \$7,500 - \$50,000. Use a security container with a Class 1 or Class 5 rating, or a burglary resistant safe with at least an Underwriters Laboratories classification of TL-15, and having a Group 1R combination lock.

c. \$50,000 or more. Use a burglary resistant safe or vault with at least an Underwriters Laboratories classification of a TL-30 and having a Group 1R combination lock.

2. Other Items. Blank checks, signature media, and personal valuables held for safekeeping (see Chapter 16, subparagraph 160101.A) are not part of a DO's accountability. Store them in a security container with at least a Class 1 or Class 5 rating or a burglary resistant safe separate from the one used to store the items listed in subparagraph 030304.B.1.

0304 ADVANCING CASH TO AGENTS

*030401. Deputy Disbursing Officers (DDOs), Agents, and Cashiers

A. Authority. DOs advance cash for official use to their DDOs, agents, and cashiers on a [DD 1081](#), Statement of Agent Officer's Account, whether by cash disbursement; or by EFT; or by exchange-for-cash checks, with instructions to negotiate the checks only as funds are needed. The DO reports un-negotiated checks as funds with agents; DDOs, agents, or cashiers report them as "Cash on Hand." The DO reports funds in the custody of DDOs, agents, and cashiers in the main disbursing office on Line 6.2, Cash on Hand, of the SF 1219, and report agents outside the main disbursing office on Line 6.5, Cash in the Custody of Government Cashiers, of the SF 1219 (see Chapter 15, section 1506).

1. [Advance Cash From the Vault.](#) The DO Cash TAS is not impacted when funds from the vault are advanced to an agent. The funds were previously reported to the DO Cash TAS prior to the advance taking place.

2. [Advance With a U.S. Treasury Check or EFT.](#) The DO Cash TAS will increase when funds are advanced to an agent utilizing either a U.S. Treasury check or EFT and are reported to the PIR, which will feed the CARS daily account statement.

B. Amount Limits. Under normal conditions, do not advance an amount of cash to a DDO, agent, or cashier that exceeds their CHA. There are occasions where cash may be entrusted to DDOs, agents, or cashiers in other amounts when required to maintain efficient operations (e.g., during the authorized absence of the DO and on paydays). The total amount held by the DO, DDOs, agents, and cashiers may not exceed the DO's CHA.

C. Custody. Each DDO, agent, or cashier stores entrusted cash in a safe or adequate container assigned for his or her exclusive use as specified in section 0303. Only the assigned DDO, agent, or cashier may know the combination of the safe or container. If the commander deems it necessary to gain access to the safe or container, open it and verify the contents.

D. Balancing. DDOs, agents, and cashiers entrusted with official funds must balance the cash in their custody daily using DD 2665, Daily Agent Accountability Summary, as the permanent record of balancing (see Chapter 15, subparagraph 150201.B). The DO ensures that each DDO, agent, or cashier is aware of the frequency for balancing and submitting the DD 1081, and uses it as a summary of cash transactions and receipt for cash and vouchers on hand. Each DO submits a DD 1081 no less frequently than monthly. A DDO, agent, or cashier who will be absent for more than 5 workdays returns all funds and accountable documents to the DO with properly executed DD 2665s and DD 1081s before departure, reporting any shortage or overage immediately (see Chapter 6, section 0604).

E. Collections and Disbursements

1. DDOs, Agents, and Cashiers in the Main Disbursing Office. DDOs, agents, and cashiers account for all negotiable instruments, collection and disbursement vouchers, and other accountable documents on a DD 2665 and turn them in daily to the DO under the cover of a DD 1081. They must retain currency collected over and above the currency disbursed when authorized by the DO if the total funds held are within the limitations specified in paragraph 030203. The DD 1081 also serves as a receipt for the funds that remain in the DDO's, agent's, or cashier's custody. When additional funds are required due to disbursements greater than collections or other authorized transactions, the DO may replenish the funds in the net amount of acceptable vouchers and negotiable instruments delivered with the DD 2665s and DD 1081s. The DO prepares a DD 1081 for the amount of funds advanced (see Chapter 15, section 1504).

2. DDOs, Agents, and Cashiers at Branch Disbursing Offices. When DDOs, agents, and cashiers are serving in branch offices where reporting transactions in person is impractical, the DO may authorize transmittal of the transactions by electronic or regular mail, or messenger. Account for these transactions on a DD 2665 under the cover of a DD 1081. The DDO, agent, or cashier signs the original and duplicate of the DD 1081 and sends it with the DD 2665 and substantiating vouchers, negotiable instruments, and documents to the DO. After examining and accepting the DD 1081, the DO acknowledges receipt on the duplicate copy of the form and returns it to the DDO, agent, or cashier. The DO may replenish funds following subparagraph 030401.A.

3. DDOs, Agents, and Cashiers Under Other Commands. DDOs, agents, or cashiers not under the same command as the DO must deposit negotiable instruments whenever possible (e.g., an investigative service or support center, intelligence command, U.S. Defense Attaché Office). If a deposit is \$5,000 or more, mail or present the deposit to the nearest FRB or its branch. Transmit deposit tickets, collection and disbursement vouchers, and other accountable documents electronically, or send them by mail or messenger to the DO. Account for the transactions on a DD 2665 with a cover DD 1081, preparing the latter following Chapter 15, section 1503 and section 1504. The DO may determine that the volume of transactions is small enough to allow submission of a single DD 1081 monthly.

F. Records. Identify transactions made by other than the DO by the name of the DDO, agent, or cashier. The DO determines the method to be used. Identify negotiable instruments cashed by someone other than the DO following Chapter 4, paragraph 040204.

030402. Cash to Paying Agents (PAs)

DOs furnish PAs written instructions to ensure they observe pertinent disbursing procedures including safeguarding funds; identifying payees and obtaining their signatures; requiring vouchers, documents, and certifications; and returning of funds and vouchers.

A. Funds Advancement. Complete a DD 1081 to document the cash entrusted to PAs authorized to make payments, currency conversions, or check cashing transactions. The DO must establish and implement controls to preclude advancing amounts in excess of requirements for the assigned mission or other anticipated valid requirements. PAs may not commingle cash advanced to them with any other funds nor advance it to any other person.

B. Funds Return. Agents returning paid vouchers and deposit tickets results in a reduction of DO accountability, which also results in a reduction in the balance of the DO Cash TAS. Returns of residual cash to the DO will not impact the DO Cash TAS since the funds were previously classified under the DO Cash TAS.

C. Advanced Cash. Normally, PAs may not retain advanced cash overnight, but must promptly return the paid vouchers, negotiable instruments, and residual cash to the DO with a properly completed DD 1081 (see Chapter 15, section 1504). When circumstances require a PA to retain cash overnight, follow the custody requirements in subparagraph 030401.C and return the paid vouchers, negotiable instruments, and residual cash as soon as possible after making the authorized payments, normally within 24 hours. The DO must notify the PA's commanders when the PA fails to make a prompt return, or if a loss of funds or vouchers occurs.

030403. Agents of Friendly Foreign Nations

A. Authority

1. Basic Agreement. DoD DOs may advance cash to DOs, cashiers, or other members of a friendly foreign nation's armed force to disburse pay and allowances to their members if the President has made an agreement with the foreign country pursuant to 10 U.S.C. §

2396(b)(2). An advance may also be used to allow that armed force to purchase necessary supplies and services under a basic intergovernmental agreement negotiated in accordance with DoD Directive 5530.3, International Agreements, to include coordination with the Combatant Commander involved, the U.S. Ambassador or Chief of Diplomatic Mission, the DoD General Counsel, and the governments of the friendly foreign nation and the United States.

2. Supplemental Agreement. A supplemental agreement establishes:

- a. The type of personal identification required for a DO or individual member when drawing an advance of funds;
- b. The maximum amount that may be advanced to an individual;
- c. Protection for the lender nation against loss from fluctuating exchange rates;
- d. The address of the respective settlement offices to which the lender nation DO forwards receipts for fund advances with requests for reimbursement;
- e. Procedures for local settlement when feasible or, if not feasible, between the signatory nation's representatives in Washington, DC or another designated location;
- f. That settlement may be in cash or by check, and in the type of currency used to make the advance. Make settlement in the lender nation's medium of exchange (when possible); and
- g. Other provisions local conditions may require.

B. Conditions

DO advances cash only against the signed receipt of the individual members of the armed force receiving the advance for the following purposes and under the following conditions:

1. To a DO of an armed force of a friendly foreign nation wanting to provide pay and allowances for troops or purchase necessary supplies and services. The DO must present proper personal identification and the unit must be serving in an area where personnel temporarily are unable to obtain funds from their own nation; or
2. To individual armed force members of a friendly foreign nation in need of funds, serving in an area temporarily separated from their units and the DO of that force is not available to make payments. These individuals must be identifiable as members of an armed force of a friendly foreign nation with which an intergovernmental agreement for advances exists.

C. Documentation. The receipt must include the name, rank, service number, title, organization, and country of the individual receiving the advance; purpose for which the advance is needed; type and amount of currency to be advanced; prevailing rate of exchange to one USD at the time the advance is made, if applicable; and name, rank, organization, and address of the DO making the advance.

D. DoD Rewards Program to Assist in Combating Terrorism

1. Authority. Payment of rewards to assist in combating terrorism is authorized by [10 U.S.C. § 127b](#) (also see Volume 12, Chapter 17, paragraph 170102). When payment of these rewards by U.S. personnel is not practical, DOs may advance cash to agents of friendly foreign nations' armed forces to make the payments. The international agreement and authorities in subparagraph 030403.A.1 do not apply.

2. Controls. Agents of friendly foreign nations appointed under Chapter 2, section 0207 are agents of the DOs who advance cash to them. Commanders and DOs have the same oversight and internal control responsibilities regarding these agents as they do for U.S. PAs. DOs may advance cash to properly appointed PAs only in amounts required to pay specific approved reward payments to identified payees.

030404. Change Funds

A. Authorization. When the operation of a clothing sales store, government laundry, or other appropriated fund activity engaged in selling property or services requires cash for making change, the activity's officer in charge requests that the commander establish a change fund. After approval, the commander or designee appoints a change fund custodian. The appointing document specifies the amount of cash to be advanced by the DO or DO's agent, who issues written instructions to the custodian when advancing the change fund covering the custodian's responsibilities for safeguarding the cash and their pecuniary liability for losses. The DO or agent providing disbursing service to the installation or activity where the sales activity is located provides the authorized change fund advance and records the advance in his or her accountability as cash in the custody of government cashiers.

B. Fund Limit. A change fund may not exceed \$250 for each cash register operated in an activity. When a cash register has more than one drawer, each drawer may be considered as a register. The commander may authorize additional amounts consistent with good cash management principles. Upon approval of the commander, authorized collecting agents may also be change fund custodians to facilitate making change.

C. Fund Increases. A commander may authorize an additional \$50 for each cash register, and an amount not to exceed \$500 for each accountable medical services' change fund custodian. For extended operations (e.g., Sunday operations), a commander may approve an additional amount up to \$50 per cash register when there is limited or no banking support.

D. Documentation. The DO or agent prepares a DD 1081. The change fund custodian signs and returns the original to the DO or agent for the amount of funds advanced. The

change fund custodian returns all cash to the DO or agent upon termination of their appointment and prepares a DD 1081 to document the return. The DO or agent acknowledges receipt of the cash by signature on the duplicate copy of the DD 1081 and returns it to the custodian. A DO or agent may recall a change fund when it is necessary to verify the DO's or agent's cash. On completion of such verification, the DO or agent re-advances the funds to the change fund custodian. Also, unannounced inspections, including cash counts of change funds, are required at least quarterly by the cash verification team.

E. Change Fund Irregularities. The custodian follows Chapter 6, Table 6-1 and informs the officer who advanced the funds immediately of any fund irregularity (e.g., shortage or overage).

030405. Imprest Fund Cashiers

Imprest funds are authorized only as an exception to this volume. See Chapter 2, section 0209.

0305 SHIPMENT OF PUBLIC FUNDS

030501. General

A. Authority. Shipment of valuables is authorized by the Government Losses in Shipment Act ([40 U.S.C. Chapter 173](#)). Shipments are insured under this authority; do not purchase supplementary insurance.

B. Authorized Purposes. A DO is authorized to ship public funds to deposit into an official checking account; deliver funds to another DO as an exchange-for-cash transaction; ship damaged or mutilated currency (see subparagraph 030507.B); and obtain funds from a bank or another DO by exchange of a check for cash.

C. Methods of Shipment. Ship public funds in a manner that provides the greatest possible protection against risk of loss, destruction, or damage to the funds:

1. Public funds may be shipped by registered mail or courier, office messenger, government conveyance, railway express, contract armored car service, or as cargo via Air Mobility Command (AMC) signature security service, depending upon availability of means of transit. The normal methods are registered mail and AMC cargo;

2. Shipment by registered or certified mail is preferred in the case of checks, drafts, and money orders. Shipment by courier is preferred in the case of currency and coin;

3. Do not use certified mail to ship currency and coin. Use shipment by government conveyance or railway express only in the case of currency or coin of excessive weight or bulk; and

4. Transfers between DOs afloat using airlift (helicopter) or high-line is also authorized during underway replenishment at sea; attach a buoy or other reliable floatation device to the container to aid in recovery that may be required.

D. Record of Shipment. In addition to accounting documents required in the case of transfers and deposits of public funds, and in order to provide the record required by Treasury regulations, describe each shipment of funds in detail on DD 165, Shipment of Funds.

030502. Shipment of Funds

A. General. Use a DD 165 to ship coin or currency, regardless of the amount (see Figure 3-2). This form is not required for shipments for deposit to the Treasury or to a bank if the shipment consists only of checks and money orders, and the record of instruments deposited required by Chapter 11, section 1108 is otherwise maintained. In addition to the retained copy of the DD 165, the shipping DO keeps the registry or other carriers' receipts and any other documents incident to the shipment until assured that the shipment has been completed and no claims actions will be initiated.

B. Distribution of DD 165

1. Include the original and duplicate with the shipment.
2. Send a copy by mail directly to the consignee as a notice of shipment when the amount equals or exceeds \$10,000.
3. The shipping officer keeps a copy. This copy bears the DO's and verifying witnesses' original signatures to substantiate any claim for loss in shipment.

C. Shipment by Registered Mail or as Cargo via AMC. When shipment is by registered mail or as cargo via AMC, show the registry number and the date the shipment was delivered to the post office or terminal on all copies of the DD 165. Whenever feasible, limit single shipments to \$250,000. Package registered mail and AMC shipments to prevent breakage in transit. For registered mail shipments, the appropriate postal official signs the shipping officer's copy in the space beneath the block "Delivery Date and Time." Advice as to adequate packaging is available from military post offices.

D. Shipment by Courier. When shipment is by courier or office messenger, the shipping DO encloses the funds in a securely sealed envelope, moneybag, or other suitable container bearing the name and address of the consignee. Any Armed Forces member on active duty, DoD civilian employee, or individual serving as a courier for the Department of State may serve as courier for delivery of funds represented by currency, checks, drafts, or money orders. The courier takes all practicable precautions to protect the shipment. The courier signs the copy of the DD 165 retained by the shipping officer in the space beneath the block "Delivery Date and Time" as a receipt for the shipment.

E. Shipment by Office Messenger. When shipment is through a message center, an authorized message center official enters the registry number in the "Delivery Date and Time" space on the shipping officer's retained copy of the DD 165. Upon receipt of the shipment, the consignee, after verifying the contents of the shipment, signs the original DD 165 in the last signature block and returns it to the shipper as a receipt. The consignee also signs a copy of the DD 165 in the space beneath "Delivery Date and Time," gives it to the courier as a receipt for the shipment, and annotates the advance copy providing notice of shipment to indicate the date of receipt and keeps in his/her retained records. If the services of an office messenger are used, the messenger also signs the consignee's retained copy in the block for "Delivery Date and Time."

F. Shipment by Government Conveyance. When the shipment is of such weight or bulk as to make other methods of shipment impracticable, government conveyance may be used. The DO makes necessary arrangements for the shipment and receives the bill of lading for delivery with the shipment. In all cases, the DO is the shipper and the consignee is responsible for the receipt of the funds. The DO is responsible for direct delivery to the carrier and obtaining a receipt on a copy of the bill of lading.

G. Shipments by Armored Car Service

1. General. Shipment of funds by commercial armored car service is authorized when it is cost effective and offers the greatest protection against loss. Charge the cost to the operations and maintenance or working capital funds available to the DO.

2. Obtaining Funds from Banks. Since FRBs comply with Treasury regulations in making shipments of money, funds may be obtained by sending them an exchange-for-cash check with instructions for delivery of the funds in the desired denomination to an armored car carrier. When funds are obtained from a bank other than an FRB, the DO accepts the funds at the bank and turns them over to the armored car carrier for transport.

030503. Action by Consignee

A. General. On receipt of a copy of a DD 165 as notice of shipment, the consignee is the intended recipient or authorized official designated by the activity receiving shipment and is responsible for arrangements to receive the shipment. On receipt, the consignee ensures that the shipment is opened and inspected by one or more responsible employees. The consignee signs the original DD 165 and returns it to the shipping officer as a receipt. If a courier made the shipment, the consignee signs and returns a copy of the DD 165 to the courier as an acknowledgment of receipt of the shipment.

B. Funds for Deposit. When the shipment represents funds for deposit, the consignee completes the deposit ticket and returns the required copies to the DO. The consignee immediately advises the shipping officer of any difference between the amount and quantity listed on the copy of the DD 165 and in the actual shipment at the time of opening. If the shipment fails to arrive in due course, the consignee immediately notifies the shipping officer, the post office, or office of other carrier through which delivery was arranged. The consignee also immediately

notifies the shipping officer of any damage to the shipment. All findings of the consignee in such cases are a matter of record subject to inspection in connection with any necessary investigation.

030504. Action by Consignor

The consignor (shipper) takes prompt action to trace a shipment of funds for which a signed DD 165 is not received within a reasonable time. The consignor initiates telephone or message contact with the consignee to ensure compliance with paragraph 030503.

030505. Losses in Shipment

Accountability for public funds rests with the consignor until the consignee has received and verified all cash listed on the DD 165. If funds shipped as prescribed are lost, destroyed, or damaged, the shipping officer sends an immediate written report to Bureau of Public Debt (BPD), Division of Financial Management, Department of the Treasury, Room 201, PO Box 1328, Parkersburg, WV 26106-1328. The shipping officer also notifies the agent in charge of the nearest U.S. Secret Service (USSS) office, the appropriate investigative service, the local post office, or local office of the carrier service used to place a tracer on the shipment, and takes such other action as may be necessary to facilitate recovery. The shipping officer sends a copy of the report to the consignee and DFAS Indianapolis, ATTN: (DFAS-ZPFA/IN), 8899 E. 56th Street, Indianapolis, IN 46249-0500 or email to dfas-in.disbursingpolicy@mail.mil. If the loss, destruction, or damage is \$10,000 or more, or delay in reporting might delay the government's recovering the shipment, the shipping officer sends the report with written confirmation that includes the:

- A. Date of shipment;
- B. Amount and type(s) of the valuables lost, destroyed, or damaged;
- C. Name and address of the consignee;
- D. Method of transportation, name of the carrier, and location of the carrier's office from which shipment was made;
- E. Registry or other receipt number; and
- F. Cause of the loss, destruction, or damage, if known.

030506. Recovery Action

A. General. Recovery action is the responsibility of the officer accountable for the lost or damaged shipment. When an exchange-for-cash check has been issued, this responsibility and accountability rests with the shipping bank or DO (consignor). Accountability for the check remains with the check-issuing DO (consignee), who reports the amount on the SF 1219 as funds in transit. The consignee determines the shipping officer's actions and monitors the subsequent investigative process.

B. Cash Lost In Transit. For cash lost in transit to a depository, accountability rests with the shipping DO, who takes the reporting and recovery actions required following Chapter 6, section 0604. The shipping DO records the loss of funds on 7.3, Losses of Funds, on the SF 1219. If the DO is reassigned before recovery can be affected, the relieving DO does not take responsibility for the loss, but records it on Line 9.3, Losses of Funds, on the SF 1219. The relieving officer also ensures that necessary claims are properly filed, and that the proceeds from the claims are properly applied against the loss.

C. Checks and Money Orders. The DO acts to recover the amount of lost negotiable instruments following Chapter 11, subparagraph 110803.H. If this recoups the full amount of a lost deposit, do not file the claims described in subparagraphs 030506.D or E. If it does not result in full recovery, the DO may request relief of liability for the unrecovered portion, supported by copies of all correspondence pertaining to the unsuccessful recovery action (see Chapter 6, section 0606).

D. Claim for \$100 or Less Against U.S. Postal Service (USPS). USPS liability in the case of lost cash shipped by registered mail is generally limited to shipments of \$100 or less, and only the consignor (mailer) may file a claim for a lost shipment. The consignor may file a claim for damage or partial loss using Postal Service (PS) Form 1000, Domestic or International Claim. The accountable DO obtains a copy of the form as a means of tracing the shipment; such a filing does not constitute a claim. If a DO files a claim online at the USPS website, the PS 1000 is not required.

E. Claim in Excess of \$100 Against the Treasury. The DO sends claims for the value of lost currency shipments exceeding \$100 to Secretary of the Treasury through the supporting DFAS site. The DO ensures:

1. The proof of claim includes satisfactory proof of loss, destruction, or damage. The claim must include the original DD 165, which will be returned after adjustment of the claim. The DO ensures that all applicable blocks on the form are complete and the form is signed or the BPD will not process the claim. The consignor (shipping officer) submits a statement concerning the loss, destruction, or damage to the shipment or any part thereof.

2. If the consignee receives a shipment with contents not intact, the statement describes the circumstances relating to the condition in which the shipment was received and the manner of inspection and verification of its contents. The claim must also include affidavits covering the loss, destruction, or damage to the shipment from the consignee and the carrier, as well as statements and recommendations of the investigating officers.

3. In the case of lost shipments for which an exchange-for-cash check was issued to an FRB or another DO, the check-issuing DO requests that the shipping officer provide copies of all documentation. All necessary and reasonable steps to recover the lost, destroyed, or damaged shipment must continue after filing the claim. DOs ensure that all recoveries and refunds received following favorable consideration of the claim are turned over to the Treasury. See [Title 31, Code of Federal Regulations, part 361](#) for claims under the Government Losses in Shipment Act.

F. Restitution and Relief. The BPD grants claims for relief for lost, damaged, or destroyed shipments only if the shipping officer strictly followed prescribed procedures. If a claim is denied, the accountable DO may either make restitution of the missing funds or submit a request for relief of liability following Chapter 6, section 0606. The request will be adjudicated according to Chapter 6, section 0607 and U.S. laws and regulations applicable to accountable official liability. If a claim is approved, the BPD sends a refund via the Intra-governmental Payment and Collection (IPAC) system. The DO must provide an agency location code before transmission. If no IPAC capability exists, contact the supporting DFAS site.

030507. Unfit U.S. Currency and Coin

A. Responsibility for Cancellation and Destruction. Under [12 U.S.C. § 413](#), the Secretary of the Treasury is responsible for the cancellation and destruction of U.S. currency unfit for circulation. The Secretary has, under [31 U.S.C. § 321\(b\)\(2\)](#), delegated these responsibilities to the Treasurer of the United States, who subsequently re-delegated them to the Director of the Bureau of Engraving and Printing (BEP). There are no further re-delegations.

B. Mutilated Currency

1. At least three disinterested persons must inventory damaged or mutilated U.S. currency or fragments thereof recovered from inadvertent wartime destruction or peacetime catastrophes affecting DoD property and personnel (e.g., aircraft crashes, ship sinking, building explosions, chemical spills). These persons normally can determine the value of the currency, but if they cannot, the DO sends the currency to the BEP for determination of value. The address is BEP, Mutilated Currency Division/Office of Financial Management, Room 344A, P.O. Box 37048, Washington, DC 20013 if shipping via the USPS; or to 14th and C Streets SW, Washington, DC 20228 if shipping via other means. Insure the shipment and request a return receipt.

2. Package the unfit currency as follows:

a. Regardless of the condition of the currency, do not disturb the fragments more than necessary.

b. If the currency is brittle, pack it carefully in suitable cushioning material, and box it as found, without disturbing the fragments any more than necessary.

c. When possible, leave mutilated currency that was in a purse, box, or other container as is to prevent either further deterioration or loss of the fragments.

d. If it is necessary to remove the fragments from the container, send the container with the currency and any other contents found.

e. If the money was flat when mutilated, do not roll or fold it.

f. If the money was in a roll when mutilated, do not attempt to unroll or straighten it.

g. Carefully remove coins or any other metal that may be mixed with the currency. Do not send coins or other metal in the same package with mutilated currency, as it may further damage the currency.

h. Send properly packaged currency to BEP by registered mail (see subparagraph 030507.B.1), return receipt requested, and insure the shipment. Because the BEP issues written confirmation for cases that it expects to take longer than eight weeks to process, DOs should include a specific request to receive a written confirmation. A DO not receiving confirmation during this time initiates follow-up procedures with the BEP by mail or telephone at (866) 575-2361.

C. Mutilated Coins. U.S. coins that are bent, broken, not whole, or fused and melted together are "mutilated." For additional information on mutilated coins, see the guidance under 31 CFR 100, Subpart C. Refer questions on the disposition of mutilated or contaminated coins to the U.S. Mint's Office at 1-800-872-6468, or contact DFAS-ZPFA/IN.

D. Worn Coins. Any FRB or branch will redeem at face value U.S. coins that are worn or reduced in weight by natural abrasion, yet are readily and clearly recognizable and machine countable.

E. Contaminated Currency

1. Contaminated currency is that which has been damaged by or exposed to contaminants or poses a health hazard or safety risk and cannot be processed under normal operating procedures. This does not apply to currency that has been exposed to a bio-terrorist agent (either biological or chemical). Contamination may result in currency emitting offensive odors and displaying mold-like conditions, and may be caused by the following:

- a. Prolonged exposure to water or other liquids;
- b. Exposure to blood, urine, other bodily fluids, or feces, including removal from any body cavity, corpse, or animal;
- c. Exposure to sewage;
- d. Exposure to any foreign substance or chemical, including dye-packs, which may pose a health hazard or safety risk; or
- e. Mold or mildew.

2. The DO contacts the Office of Currency Standards, BEP at (202) 874-2361 to arrange an on-site BEP review or to obtain disposition instructions.

0306 WEAPONS FOR CASH PROGRAM

030601. Authorization

The weapons for cash program requires Secretary of Defense authorization. The senior operational commander provides funding authorization for weapons procurement. The total amount advanced to PAs under this program may not exceed this authorization. Before providing additional funds, the commander must adjust the authorization.

030602. PAs

Use PAs to ensure successful operation of the program (see Chapter 2, paragraph 020704). The DO advances cash following paragraph 030402 in the currency of the country involved, referring to Chapter 13, section 1303 for guidance on obtaining the required foreign currency.

030603. Weapons Purchases

Proper accounting is required for each disbursement. Use an SF 44, Purchase Order-Invoice-Voucher, or other available chain-of-custody type receipt. Each seller's receipt must include the seller's name and (if possible) identification number, weapon description and serial number, and amount disbursed. The PA ensures the seller's signature appears on the receipt. Prepare the original and three copies of the disbursement document (seller's receipt). Provide the original and one copy to the DO, attach one copy to the weapon (for inventory control), and give one copy to the seller.

030604. Clearing or Replenishing the PA's Account

A PA prepares a DD 1081 for the total amount of all disbursement document vouchers turned in, which includes the original and one copy of each document (receipt), any residual cash advanced from the DO or designated representative, and a copy of the approval to establish a weapons for cash program. If replenishment of a PA's account is necessary, the PA prepares the DD 1081 as prescribed and submits it to the supporting DO who replenishes the PA's account for the approved amount shown on the DD 1081, subject to paragraph 030402.

0307 COUNTERFEIT OR ALTERED U.S. CURRENCY

030701. Detected Before Acceptance

A DO confiscates U.S. currency presented for exchange or payment of an obligation to the United States that he or she determines is either counterfeit or altered, gives a receipt indicating the type, denomination, and amount of the confiscated currency to the person presenting it, and obtains information from that individual regarding the currency's source. The DO delivers the currency, by letter of transmittal with all available information, to either a representative of the appropriate investigative service (if available) or the nearest military security agency, obtaining a receipt in either case. Since such currency is suspect, no entries in the DO's accounts are required.

030702. Detected After Acceptance

A. Reimbursement Obtained. Upon discovering counterfeit currency, the DO requests reimbursement from the source from which received, and follows paragraph 030701. No loss to the DO accrues, and no entries in the DO's accounts are required.

B. Reimbursement Not Obtained. If the source of counterfeit currency is unknown, or is known but reimbursement is not obtained, the DO delivers the currency, with a detailed report of all known circumstances, to either a representative of the appropriate investigative service (if available), or the nearest military security agency, obtaining a receipt in either case. Send the currency receipt with a signed copy of the DO's report by memorandum stating the reason why reimbursement was not obtained through the DO's commander to DFAS-ZPFA/IN, and report it on the SF 1219 as a physical loss of funds.

030703. Detected After Depositing with Bank

When a bank operating a Treasury General Account (TGA) notifies a DO that the currency, deposited by the DO, is suspected to be counterfeit, the DO reimburses the TGA for that currency and obtains a receipt with the currency's description, stating that the currency is suspected to be counterfeit and has been withdrawn from circulation. The TGA surrenders any suspected counterfeit currency to the USSS, and provides depositors with a photocopy of Secret Service Form 1604, Counterfeit Note Report, and/or any other documentation. The DO contacts the USSS to ascertain if the surrendered currency is counterfeit and must ensure that the TGA processes a deposit ticket for the amount of surrendered currency that the USSS determines is not counterfeit and credit the amount of the deposit ticket to the appropriation that funded the loss. Report the amount the USSS determines as counterfeit on the SF 1219 as a physical loss of funds.

030704. Miscellaneous Cases

Send a description of any unusual counterfeit currency situation not specifically covered in section 0307 to DFAS-ZPFA/IN for disposition instructions.

0308 EMERGENCY DISPOSITION

030801. Contingency Plans

DoD Component heads must develop and maintain contingency plans and standby procedures to dispose of cash and other assets under emergency conditions. These plans should address emergency conditions, emergency destruction, sudden destruction, and accounting for cash and other assets destroyed. They must include internal controls to minimize the potential risks of fraud, waste, and abuse. Emergency operations include, but are not limited to, combat and peacekeeping operations, humanitarian assistance efforts, noncombatant evacuation operations, disaster relief efforts, and disposal of contaminated cash.

030802. Policy

A. Emergency Conditions. Under conditions that may require the evacuation, disposal, or destruction of cash and other assets, commanders execute their contingency plans. DOs or their designees will have to evacuate cash and other assets under these conditions (e.g., in anticipation of enemy action) to a designated safe haven (e.g., secured vaults or safes).

1. Cash and Other Assets. Upon initial notification of a threat that may require the destruction of cash and other assets, the DO, DDO, or other designee should determine cash requirements, recall or purchase excess cash, and evacuate it and other assets held at personal risk to a designated safe haven. If the DO, DDO, or commander determines that capture of these assets is possible, secure them in a manner that will minimize the risk of capture or destroy them following subparagraph 030802.B.

2. Combustible Materials. If capture of funds is inevitable, burn paper currency, checks, and other burnable documents completely to ashes. If this is not possible, use chemical decomposition, shredding, or pulping. The alternative methods must render the items non-negotiable by completely destroying their original character and appearance.

3. Solid Substances. Dispose of coins and other valuable non-burnable items by scattering in deep bodies of water or physically destroying when possible. When no suitable bodies of water are present, discretely bury these items in the ground. Coins may also be fused or mutilated to make them unrecognizable. Fragment and scatter bars, ingots, and other units of precious or valuable substances, making their recovery impossible or at least uneconomical.

B. Emergency Destruction1. Preparation

a. DOs and their Agents. If time permits, the DO/DDO prepares the following forms or documents for the various disbursing media identified.

(1) U.S. Currency. The DO/DDO prepares an original and three copies of [DD 2669](#), Destruction Schedule for Currency, for all U.S. currency to be destroyed, noting the reason in the space provided. For full or partial packages of new currency, note the beginning and ending serial numbers of each denomination. Destruction must be witnessed by three persons who are either U.S. commissioned or noncommissioned officers, or U.S. Government civilian employees who are U.S. citizens. The DO/DDO may serve as the third witness if one of the other two witnesses is senior in rank to the DO/DDO. Witnesses must enter their name, rank or grade, and signature in the spaces provided. A DO/DDO serving as a witness completes block 5 and the applicable section of block 8. Indicate the method of destruction in the space provided for the witnesses' certifications.

(2) U.S. Coin. The DO/DDO prepares a DD 2669 for U.S. coin to be destroyed, including the same type of information required for U.S. currency, but listing the denominations and value of each denomination to be destroyed. DO/DDO will cross out the preprinted denominations of paper currency, and enter the coin denominations. Also, cross out “currency” and write “U.S. coin” immediately above it in both the DO’s/DDO’s and witnesses’ certification blocks (see subparagraph 030802.B.1.a.(1)).

(3) Check Stock. The DO/DDO prepares a listing (original and three copies) of the U.S. Treasury and LDA check stock to be destroyed, indicating the range (from and through) of check numbers for each series of checks maintained (see subparagraph 030802.B.1.a.(1)).

(4) Foreign Currency and Coin. The DO/DDO prepares a DD 2669 for foreign cash to be destroyed. Modify the appropriate areas of the form to identify the different denominations, prepare separate forms for currency and coins, and separate forms for public funds and those held for safekeeping (see subparagraph 030802.B.1.a.(1)).

(5) Signature Media. See subparagraph 030802.A.2.

b. Nonappropriated Fund (NAF) Custodians and MBF and Other DoD-Sponsored Activity Managers. These activities may periodically exchange cash that exceeds day-to-day requirements for a U.S. Treasury check to reduce currency susceptible to loss.

(1) U.S. Cash. When ordered by the commander, these activities deliver their U.S. cash to the nearest DoD DO/DDO in exchange for a U.S. Treasury check. The DO is then accountable for the cash. If an exchange cannot be made, the activity custodians or managers prepare a destruction schedule similar to the DD 2669 and after verification, burn the currency to ashes in the presence of at least one activity representative and two U.S. commissioned or noncommissioned officers or U. S. Government civilian employees (see subparagraph 030802.B.1.a.(1)).

(2) Foreign Cash. If necessary to destroy foreign cash, the appropriate authority (e.g., NAF custodian, MBF, or other activity manager) transports it to the nearest DoD DO/DDO and exchanges it for a receipt stating that the foreign currency is being accepted for safekeeping and that neither the DO/DDO nor the U.S. Government is accountable for loss or destruction as a result of the existing emergency (see Chapter 16, section 1602). A DO/DDO, having accepted the currency and coin, needing to use it to meet operational requirements, issues a U.S. Treasury exchange-for-cash check to the appropriate authority for the USDE of the foreign funds purchased. If destruction becomes necessary and time permits, the DO/DDO prepares a DD 2669. When an exchange cannot be made, the appropriate authority prepares a destruction schedule similar to the DD 2669 and after verification, burns the currency to ashes. See subparagraph 030802.B.2 to dispose of foreign coin.

2. Precedence. DOs/DDOs in areas of elevated tension should anticipate the possibility of emergency destruction and maintain procedures to rapidly inventory

and destroy their cash and other assets. If there is not enough time to destroy all funds held by the DO/DDO, prioritize the destruction as follows:

- a. U.S. and foreign cash, and negotiable instruments carried as cash in the DO's accounts;
- b. Blank U.S. Treasury checks;
- c. Blank LDA checks;
- d. Currency, negotiable instruments, and other valuables held for safekeeping;
- e. Coins; and
- f. Other valuables (e.g., signature media).

C. Sudden Destruction. When currency and coins are destroyed by explosion, fire, sinking of a vessel, or aircraft accident, the accountable DO prepares a written statement identifying the circumstances under which the destruction occurred and sends it with a request for relief of liability to DFAS-ZPFA/IN. If the DO does not survive the disaster that destroyed the funds, the officer designated to settle the account acts on the DO's behalf by reconstructing the accountability of the DO and initiating the appropriate requests for relief.

D. Accounting for Destroyed Cash and Other Assets. DOs account for destroyed currency, coin, and negotiable instruments that were held as public funds by entering on line 7.7, "Currency, Coin, and Negotiable Instruments Destroyed," of the DD 2657 and the SF 1219, and attach copies of supporting DD 2669 to both forms.

0309 SAFEKEEPING U.S. SAVINGS BONDS

See Volume 7A, Chapter 43, paragraph 430204.

Figure 3-1. Suggested Average Daily Cash Requirement

Foreign Currency Cash or Limited Depository Account (LDA) Balance Requirements Example^{1,6}	
(Separately calculate cash and local depository accounts for each location)	
a. Value of Monthly Disbursements, Local Currencies (last 3 months average) ²	\$299,420
b. Value of Accommodation Exchange, Local Currencies (last 3 months average)	63,170
c. Value of Monthly Cash Collections, Local Currencies (last 3 months average) ³	-19,086
d. . Value of Monthly Reconversions, Local Currencies (last 3 months average)	-4,830
e. Value of Monthly Local Currency Checks Cashed (last 3 months average)	4,830
f. Average Net Monthly Local Currency Requirements (a+b-c-d+e)	\$343,504
g. Number of Business Days per Month ⁴	20
h. Average Number of Business Days Required to Obtain Local Currency	3
i. Contingency/Static Requirements (Command Determination) ⁵	20,000
j. Value of Average Currencies Required per Business Day (f/g)	17,175
k. Value of Average Currencies Required based on Replenishment (h*j)	51,525
l. Burdensharing Funds (If Applicable)	0
m. Value of Total Local Currency Holding Authority (i+k+l)	\$71,525
U.S. Dollars (USD) Balance Requirements Example⁶	
n. Monthly USD Cash Disbursements (last 3 months average)	\$333,407
o. Monthly USD received: Foreign Currency Accommodation Exchange (last 3 month average)	27,645
p. . USD Checks Cashed on Accommodation Exchange (last 3 months average)	26,025
q. Monthly USD Cash Collections (last 3 months average)	-27,375
r. Monthly USD Cash Disbursed on Reconversions (last 3 months average)	-2,100
s. USD checks cashed (accommodation exchanges)	-43,690
t. Average Net Monthly USD Requirements (n+o+p-q-r-s)	\$313,912
u. Number of Business Days per Month ⁴	20
v. Average Number of Business Days Required to Obtain USD	5
w. Contingency/Static Requirements (Command Determination) ⁵	30,000
x. Average USD Required per Business Day (t/u)	15,696
y. Average USD Required based on Replenishment (x*v)	78,480
z. USD CHA (w+y)	\$108,480
aa. Total CHA (m+z)	\$180,005

Figure 3-1. Suggested Average Daily Cash Requirement (Continued)

Notes:

¹Maintain LDAs with checkbook balances as close to zero as possible by forecasting payment requirements in enough time to order currency to correspond with the payment due date. See Chapter 14.

²Value based on Monthly Worksheet Calculations.

³A higher CHA will be required if collections exceed disbursements. It is generally not cost effective to reconvert currency that may be required for disbursements in the near term.

⁴When recurring variance in demand occurs due to events such as paydays, compute a separate CHA for these periods and exclude it from normal non-peak calculations.

⁵Contingency requirements generally reflect emergency cash needs for operational missions or due to large fluctuations in demand that cannot be forecast in advance. Static requirements reflect subordinate agents, imprest funds, or contractual arrangements such as debit card pool accounts or community bank contingency cash. Validate agent requirements based on usage and frequency of returns/replenishment.

⁶See also subparagraph 030203.A.