

VOLUME 5, CHAPTER 7: “U.S. TREASURY CHECKS”**SUMMARY OF MAJOR CHANGES**

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

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

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

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

The previous version dated [March 2023](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
2.4	Deleted subparagraph 2.4.2 prohibiting waivers for vendor payments, per updates to the Treasury Financial Manual, Volume I, Part 4A, Chapter 2000, Section 2040.30b that became effective March 22, 2024, and renumbered the paragraph accordingly.	Deletion
3.1	Removed procedural content for ordering check stock and provided contact information for obtaining current check procurement options and procedures.	Revision
9.3	Moved check destruction content to new section 15.0.	Revision
15.0	Created a separate section for check destruction content and added contact information for destroying blank check stock.	Addition

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CHAPTER 7

U.S. TREASURY CHECKS

1.0 GENERAL

1.1 Overview

Disbursing Officers (DOs) issue U.S. Department of the Treasury (Treasury) checks under applicable laws and regulations for military pay and allowances, civilian pay, settlement of travel claims, authorized advances to travelers and agents, exchanges-for-cash, and deposits-for-credit to the Treasury. Only multi-hued, standard size checks (7 3/8 inches in length and 3 1/4 inches in width) may be issues against the Treasury's account. Per the Treasury Financial Manual (TFM), Volume 1, Part 4A, Chapter 4000, Section 4045 ([ITFM 4A-4045](#)), Federal entities that issue Treasury checks will report daily through the Payment Information Repository (PIR) Standard Reporting Format. PIR files containing check payments go to both PIR and the Treasury Check Information System (TCIS). All Treasury check disbursements must have a valid Treasury Account Symbol/Business Event Type Code (TAS/BETC) reported through PIR, which will feed the Central Accounting Reporting System (CARS) daily account statement.

1.2 Purpose

This chapter provides basic principles and requirements for procurement of Treasury checks, check types and features, security, storage, and signature media to include machine specifications of check-signing machines. It also provides information on the issuance of Treasury checks, exchange-for-cash checks, check issue discrepancies, spoiled and voided checks, check cancellation, and the necessity for timely and accurate reporting to Treasury.

1.3 Authoritative Guidance

Treasury check usage is governed by Title 31, United States Code (U.S.C.), section 3321 ([31 U.S.C. § 3321](#)), Disbursing Authority in the Executive Branch; [31 U.S.C. § 3328](#), Paying Checks and Drafts; [31 U.S.C. § 3331](#), Substitute Checks; [31 U.S.C. § 3332](#), Required Direct Deposit; [31 U.S.C. § 3343](#), Check Forgery Insurance Fund (CFIF); [31 U.S.C. § 3702\(c\)](#), Authority to Settle Claims; and [31 U.S.C. § 3334](#), Cancellation and Proceeds Distribution of Treasury Checks.

2.0 POLICY

2.1 Drawing and Dating Checks

2.1.1. Drawing a Check. Inscribe checks drawn on the Treasury to the payee by name, or to a financial institution for credit to the account of the named payee, except for checks drawn as exchange-for-cash (see section 7.0). Never make a check payable to "Cash."

2.1.2. Dating and Mailing Checks. DOs must not issue checks in payment of salaries before completion of the service for which the payment is being made or before the scheduled payday, unless authorized (e.g., advance pay). A DoD Component is authorized to mail checks to payees before a military or civilian payday to ensure payments are available when due. When mailing a check before payday, do not date it before the date of the scheduled payday. Agencies using this method of pay delivery must have internal controls that alert the DO when a payee becomes ineligible for scheduled pay (e.g., unauthorized absence or separation) and ensure that pay intercept procedures can be initiated.

2.1.3. Legal Representatives

2.1.3.1. Legal Representative of Estate of Decedent. A check may be drawn to the order of a legal representative of the estate of a deceased person (e.g., “John K. Smith, Executor of the estate of James R. Jones”). Do not make a check payable “to the estate of” a decedent or to a deceased person.

2.1.3.2. Committee or Guardian. A check may be drawn to the order of a legally appointed committee, guardian, or other legal representative of a mentally incompetent payee when specifically authorized (see Volumes 7A, Chapter 33; 7B, Chapter 16; and 8, Chapter 10).

2.1.3.3. Power of Attorney. The payee of a check may authorize another person to receive a Treasury check by execution of a specific power of attorney that clearly states the holder is entitled to receive the check on the payee’s behalf. The person receiving the check signs his or her own name on the voucher followed by the words “Attorney-in-Fact for” and the name of the person granting the power of attorney. The DO verifies the identity of the holder and keeps a copy of the power of attorney. Process payments made to the holder of a power of attorney that require “secret” or “confidential identity” using a cover voucher insert. Transmit a copy of the original voucher and a copy of the power of attorney to the supporting Defense Finance and Accounting Services (DFAS) site for proper handling and storage.

2.1.4. Signing Blank Checks. Signing blank checks is prohibited.

2.2 Negotiability

Effective October 1, 1989, Treasury checks are negotiable for 1 year from their issue dates. Checks presented for payment that are not negotiable must be verified for validity and replaced, if appropriate (see section 12.0).

2.3 Evidence of Payment

The issuance and mailing of a check to a creditor of the United States does not, by itself, constitute payment of a debt. A debt is not discharged until a creditor has received the amount of the debt in money or its equivalent in law. An acknowledgement of receipt of the check is also not evidence of payment. The endorsed and negotiated check is the receipt to the government.

*2.4 Federal Nontax Payments

The [ITFM 4A-2040](#) requires that all Federal nontax payments be made by Electronic Funds Transfer (EFT) unless a waiver applies.

3.0 PROCUREMENT OF TREASURY CHECKS

*3.1 Check Sourcing

The DFAS Enterprise Solutions and Standards Directorate's Tax and Disbursing Division (DFAS-IN/JFKCB) is the sole check sourcing agency for DoD activities. Contact DFAS-IN/JFKCB for current check formats available, the procedure for obtaining check stock, and for advice on alternative payment methods.

DFAS-Indianapolis Center (DFAS-IN)
Enterprise Solutions and Standards Directorate
Tax and Disbursing Division (DFAS-IN/JFKCB)
8899 E. 56th Street
Indianapolis, IN 46249-2700
Email: dfas.indianapolis-in.jjf.mbx.ess-disbursing@mail.mil

To ensure continuity of operations, DOs should not allow check stock to fall below a 6-month supply. Seek replenishment when the check stock reaches the 9-month level. The DO at a newly established disbursing station symbol number (DSSN) should request check stock at least 4 months before the planned commencement of disbursing operations.

3.2 Check Types

3.2.1. Regular Issue Checks. Regular issue checks are standard checks with preprinted DSSNs, serial numbers, and magnetic ink character recognition (MICR) encoding.

3.2.2. Unnumbered Checks. Unnumbered checks are regular issue checks controlled by preprinted inventory control numbers (ICNs) rather than preprinted DSSNs, serial numbers, or MICR encoding, and are for use only by DFAS sites. Under [ITFM 4-5045.15](#), systems that prepare these checks must have a post-print verification unit to read and verify certain critical data after the optical character reader-B (OCR-B) and MICR data are printed. These data elements are the OCR-B check symbol, serial number, dollar amount, and the entire MICR line. The system must internally calculate the check digits for the check symbol and serial number on the MICR line and verify correctness, compare the MICR data with the OCR-B data, and both the OCR-B and MICR data with the data from the input source. If any character fails to verify correctly, the check or checks must be rejected, marked "Void - Not Negotiable," and then reprinted.

3.2.3. Test Grid Checks. Test grid checks provide the format of the check by grid lines to test or align automated check writing and bursting equipment. They are printed for government-wide use. Ignore the date and dollar boxes since they are not preprinted on checks. Test grid checks are not for issuance.

3.2.4. Specimen Checks. Specimen checks are identical to unnumbered checks except that they are overprinted with the words “SPECIMEN CHECK – NOT NEGOTIABLE” in black ink in a type size of at least 18 points in the signature space, with an ICN Alpha prefix of “X” in the numbering sequence. Safeguard specimen checks the same as blank checks. In the absence of a specimen check, use a blank check marked “Void - Not Negotiable, No Check Issued Under this Number,” if available; otherwise, use a piece of paper or card of check size 7 3/8 inches in length and 3 1/4 inches in width.

3.2.5. Blank Check Formats. See [ITFM 4-5030.20](#).

3.3 Check Features

3.3.1. Pre-Encoded Magnetic Ink Characters. Certain information is encoded in MICR format along the bottom of the check. The MICR area extends across the entire length of the check from positions 14 to 54, 9/16 inches from the bottom edge of the check. The MICR line consists of a 9-digit check serial number in positions 23 through 31, a 9-digit routing transit number in positions 34 through 42, a 5-digit check symbol number in positions 49 through 53, and the appropriate MICR symbols citing preprinted symbol and serial numbers.

3.3.2. Check Serial Numbers. When all serial numbers of a DSSN have been used, Treasury’s Fiscal Service will assign a new DSSN for the next supply of checks. Accordingly, as serial numbers of checks issued approach 99,999,999, the DO should notify the National Payment Integrity and Resolution Center (NPIRC), through DFAS-IN/JFKCB, to facilitate assigning a new DSSN before the next supply of blank checks is ordered. In this instance, the DO should allow 30 days in addition to the time normally required to print and deliver the checks for the proof to be changed.

3.3.3. Check Numbering. Initial orders for serially-numbered checks must specify the numbers begin with 00001000 and end in xxxxx999. Serial numbers on subsequent orders must follow in exact sequence. On check formats K and M, agencies may order additional printing and/or numbering on the check stub (see [ITFM 4-5030.30](#)).

3.4 Emergency Checks

Under emergencies only, disbursing offices may use their print systems to produce pre-numbered and MICR-encoded check stock for use by other disbursing offices within that federal entity. Disbursing offices must not use the emergency check stock system to avoid ordering checks through normal channels (see [ITFM 4-5030.60](#)).

3.5 Receipt of Treasury Checks

3.5.1. Receipt. Upon receipt of a check shipment, and based on a representative sample, the DO or designee verifies that all checks have been received, examines the accuracy of the printing, and verifies the check symbol/serial numbers in the upper right corner of the checks and in the MICR field. If shipment is by means other than registered first class mail, the vendor mails

an “Advice of Shipment” form with the shipment. After receipt and verification of the check order, sign the form, and send it to DFAS-IN/JJFKCB.

3.5.2. Warranty. The vendor provides a 120-day warranty on checks it produces, beginning with the day the checks are delivered to the user. The office that receives the checks is responsible to determine any obvious defects or missing checks before the warranty period expires. Otherwise, the vendor may not be liable for making replacements.

3.5.3. Defective Check Shipments

3.5.3.1. If checks are missing from the shipment, or check stock is in some other way defective and replacement is warranted, contact DFAS-IN/JJFKCB. If checks are damaged upon receipt, the DO should contact the trucking company; if checks were sent by registered mail, contact the U.S. Postal Service (USPS) to initiate a claim for damages.

3.5.3.2. If a check shipment is received that contains more than one check with the same check serial number, in addition to the notification to DFAS-IN/JJFKCB, the DO must destroy each check bearing a duplicate number. Since the remaining checks bearing these same serial numbers may be issued in the normal manner, do not report check serial numbers of the duplicate checks as zero dollar amounts in the check issue report. Mark the checks bearing the duplicate numbers “Void - Not Negotiable” and destroy them locally within 30 days, [following the guidance in section 15.0](#).

3.5.3.3. If checks are discovered missing in the receipt verification process, or at any time thereafter, notify both DFAS-IN/JJFKCB and the nearest DoD Component investigative service for referral and liaison with the U.S. Secret Service (USSS).

3.5.3.4. If checks are received that are intended for another disbursing office, immediately contact DFAS-IN/JJFKCB for instructions regarding the shipment.

3.6 Transfers Between DOs

Count checks transferred between DOs as a part of the relief from disbursing duty process by both the transferring and the receiving parties when they are not in the original packages (see Chapter 2, subparagraph 4.6.1.3).

3.7 Security, Storage, and Issuance of Blank Checks

3.7.1. Store blank Treasury checks in a secure container (see Chapter 3, paragraph 3.4). Keep them in the DO’s or deputy DO’s (DDO) safe or under lock and key. The DO or designee ensures that the condition of storage prevents any deterioration of the surface tint and design of the check, which are sensitive to moisture, light, and heat. The DO or designee may accept checks that bear printing of a satisfactory color and strength and, if subsequent deterioration occurs, obtain a replacement supply. Only one individual should be given primary responsibility for maintaining the check stock and related control records. Access by others should be limited to occasions when the designated custodian is absent.

3.7.2. The DO or designee maintains control of the check stock and is accountable for it at all times. In cases of joint custody, the DO or designee ensures that no break in accountability occurs, to provide for access to the check stock during periods of brief or unexpected absence of the single individual who exercises normal day-to-day responsibility for the check stock.

3.7.2.1. A DO or designee maintains a blank check control log for each series of checks used to maintain a perpetual inventory of checks on hand and control their release. The DO or designee must examine the blank check control log daily to ensure that all checks drawn and checks returned unused are accounted for and that no checks have been removed without authority.

3.7.2.2. Using the prescribed blank check control log:

3.7.2.2.1. The DO or designee issues blank checks to check writers from the check stock in blocks of appropriate size by serial numbers and monitors the return of blank, voided, or spoiled checks to the vault. The DO or designee also uses the control log to control issuance and return of checks between the DO and sites external to the disbursing office that prepare checks;

3.7.2.2.2. The DO or designee must obtain receipts for checks issued. The designee in charge of the working checks must keep a record of checks issued daily to each clerk, examine daily the record of checks drawn and returned unused by the clerks to account for checks issued, and ensure that no checks are removed without authority; and

3.7.2.2.3. The DO or designee must inventory the check stock not less than once every 90 days. Any open container must be inventoried by an individual count of the checks contained therein. Open all damaged cartons of checks, or those bearing evidence of tampering, and individually count the checks. Keep a record of the inventory on hand in the disbursing office and provide it to the cash verification team for attachment to the quarterly cash verification report (see Appendix A).

3.7.2.3. When blank checks are lost or stolen:

3.7.2.3.1. The DO or designee immediately notifies the Commander, the nearest office of the USSS by email or telephone, and Fiscal Service at telephone number (304) 480-7777. Confirm the notification with a letter to the Fiscal Service's Physical Security Branch, 6505 Belcrest Road, Suite 613, Hyattsville, MD 20782, with copies to the USSS, appropriate DoD Component investigative service, DFAS-IN/JFKCB, and appropriate local banks. Include the DSSN, ICNs or serial numbers of the checks involved, a statement giving complete information concerning the loss or theft, and the date the loss was referred to the USSS for investigation; and

3.7.2.3.2. If the loss involves a range of consecutive serially-numbered checks, only the beginning and ending serial numbers of the range are required. Void all checks discovered to be missing, lost, or stolen before issuance, and report the circumstances following [I TFM 4-5040.20](#).

4.0 ISSUANCE OF TREASURY CHECKS

4.1 Check Preparation

4.1.1. Check Issue. Issue checks in strict numeric sequence within each series. The information essential to a check includes place and date of issue, DSSN, serial number, payee, amount, signature of drawer, designation of title, and other identifying information. Do not print legends such as “Salaries and Expenses” or “Drawn for Above Object” on the face of a check. Check explanations (e.g., exchange-for-cash or salary) and other special information unique to each disbursing activity may be entered at the bottom of the check to the left of the signature area. Keep extraneous data to a minimum. Spaces allotted on the printed check form for specific information are only for their intended purposes. Do not leave any spaces unfilled in a manner that would allow or facilitate alterations and additions that could lead to forgery or fraud.

4.1.2. Check Completion. A completed check must have an orderly appearance and good legibility for accurate reading in rapid handling. Avoid overprinting, intersecting, and crowding. No check may be issued for more than \$99,999,999.99. In instances when the total payment exceeds that amount, issue two or more checks that total the payment required. No deviation in the check writing procedures is permitted unless authority is first obtained from DFAS-IN/JFKCB (see [ITFM 4-5000](#)).

4.2 Check Print Requirements

4.2.1. Data on Checks. Data printed or typewritten on checks will be permanent and not affected by erasure, smudging, moisture, handling, the passage of time, or by other methods that might intentionally or unintentionally be used to remove or alter the printing without affecting the check itself.

4.2.1.1. Impact printers may be used. Laser type printers where the toner fuses the print into the check may be used. Do not use laser type printers that only lay an image on the surface of the paper. Do not use correctable ribbons for manual preparation of checks, as they lack the permanence required to protect against undetectable alteration.

4.2.1.2. The physical characteristics and layout of the blank check determine the correct position of the date, amount, payee name, and DO’s signature. Avoid deviations from the normal positioning of this information. To standardize printing and facilitate accuracy verification, inscribe words on checks in all capital letters. Omit punctuation except for commas used in addresses and to set off names of two or more payees.

4.2.2. Pay to the Order of. Inscribe the payee’s name on a check to ensure positive identification.

4.2.2.1. To ensure correct endorsement, and for other reasons established by custom, the payee’s surname should appear last; the correct order is first name, middle name or initial, and last name. Where the payee has an often used surname (e.g., “R T Jones” or “J G Smith”), the use of initials only, instead of the full given name, is inadequate to provide

positive identification of the rightful payee. An initial in lieu of a first name is permissible only in cases where the payee's legal given names consist of initials only. In this case, show the words "Initials Only" after the initials. In instances where the length of the surname would leave insufficient space for the full first name, or where the check writing system makes the use of a first name impractical, show other positive identifying data (e.g., the payee's address on the check).

4.2.2.2. When entering a payee's SSN on the check, inscribe it in a location where it will not be visible in the envelope window if the check is mailed. When checks are to be mailed, exercise care to assure that the full and complete address of the payee is entered on the checks or envelopes, including rural route numbers, box numbers, house numbers, zip codes, and any other information needed for correct delivery.

4.2.3. Date. Print the date on the upper right portion of the check, either above or below the check number. Check signers equipped with date bands may be used **if** the location of the stamped date does not interfere with preprinted data or other data to be printed or typed on the check.

4.2.4. Numeric Dollar Amount. Print the numeric dollar amount in the upper right quarter section of the check, above the signature of the DO and below the DSSN, in horizontal alignment with the name of the payee or the amount in the body. Completely fill the allotted area with the money amount, preceded by a dollar sign (e.g., \$****123.45). Leave no space unfilled that otherwise might be susceptible to use for fraudulent insertion. To reduce opportunities for amount alterations, use neither zeroes as fill-in characters preceding the money amount nor commas in the money amount.

4.2.5. Written Dollar Amount. Printing the amount in the body of a check in words offers greater protection against the alteration of amounts. If a disbursing activity determines that substantial savings in the cost of issuing checks would result or that space is limited, it may use figures only, without any spacing within the amount, in one of these formats: \$50and75cents, \$50and75/100, or \$50.75.

4.2.6. Other Special Information. Print special information (e.g., distribution code, computer or typewritten check serial number, or explanations for check issuance) at the bottom of the check to the left of the signature area. When checks are drawn for public vouchers or payroll payments, the DO, at his or her option, may insert the disbursing office voucher number or, if applicable, the bureau voucher number.

4.2.7. Drawer's Signature. Each check issued must bear either the DO's manual or approved facsimile signature, or the manual signature of a DDO. Manual signatures should generally agree with specimens previously submitted to DFAS-IN/JFKCB. Checks drawn by a DDO are signed below the printed, typed, or stamped title of the DO for whom he or she is acting, as follows:

Disbursing Officer

By _____, Deputy
(Deputy DO's Signature)

Use permanent dark blue, blue-black, or black ink for signatures on checks (whether manual or by facsimile signature). The ink should not be subject to fading and not readily soluble in water.

4.3 Erasures and Alterations

DOs must not release checks with erasures, alterations, overprinting, or imperfect figures or letters. Spoil or void such checks and issue replacements (see section 9.0).

4.4 Record of Checks Issued

Each DO must maintain a record of checks issued by their DSSN. The record must contain at least these data elements: payee, amount, DSSN, check serial number, and date of the check. Other information as to the purpose for which the check was issued, document number, voucher number, and local identification code or number is optional and subject to the discretion of the issuing DO. The record may be kept on paper or electronic medium designed for data processing use.

4.5 Supporting Documents

Attach documents and payroll vouchers used to support the record of checks issued to the original vouchers submitted to the supporting DFAS site. Do not transmit them to the Treasury with the check issue reports. Send requests for the Defense Check Reconciliation Module (DCRM) Users' Manual to [DFAS Corporate Systems \(DFAS/ZTE\) at dfas_dscz_te_mbx.cco-dcrm@mail.mil](mailto:dfas_dscz_te_mbx.cco-dcrm@mail.mil). Include all the necessary data for Treasury's reporting purposes in the electronic flat file.

5.0 CHECK-SIGNING MACHINES

5.1 Machine Specifications

Select check-signing machines that meet Treasury regulations and standards (see [ITFM 4-5045.20](#)). Impact check signers using rubber signature dye, or approved laser check printers containing digitized signatures, may be used. The machines should have the following features:

5.1.1. A dating device capable of placing the date either immediately above or to the right of the words "UNITED STATES." It is preferable to have the signature and date imprinted in a single operation; if the check writing equipment also imprints the date, the check-signing machine does not need to have this capability;

5.1.2. A mechanism capable of processing paper checks. Offices issuing checks with detachable stubs ensure that the mechanism's feeding device can handle this type of check; and

5.1.3. A key-controlled DO signature feature or a removable computer chip containing the digitized signature for laser check printers with digitized facsimile signature capability. Keep the key and/or the chip controlling the signature capability in a locked safe or vault or under other equally effective safeguards when not in use.

5.2 Signature Media

5.2.1. Requisition

5.2.1.1. Request for Procurement. Upon receipt of the specimen signatures, the outgoing/relieved DO immediately prepares and forwards a request for procurement to DFAS-IN/JJFKCB for approval and forwarding to the DFAS/ZTE. DFAS-IN/JJFKCB ensures sequential numbering of the medium. The purchase order must include the statement:

“Signature plates for impact type check signers are rubber stamps containing the prescribed facsimile signature of the DO. Digitized signature media are normally Dual In-Line or Single In-Line Memory Module computer chips or computer diskettes containing the DO's signature that is loaded to the laser printer check-signing software.”

Also, include the following information:

5.2.1.1.1. The type, manufacturer's name, model, and serial number of the check-signing machine;

5.2.1.1.2. Whether the signature plate or digitized signature medium is for a machine currently in use;

5.2.1.1.3. If the plate or digitized signature medium is to be used on a new and undelivered machine, refer to the procurement papers for the machine including the manufacturer, type, and model; and

5.2.1.1.4. The plate number and the name of the DO.

5.2.1.2. Numbering. Treasury regulations require that the signature media of each DO be numbered in sequence in the lower left corner of the border beginning with the number one. Include on each order the next sequential number for the affected DO.

5.2.1.3. Multiple Media. Normally, a DO and authorized DDOs use only one signature medium. Multiple signature media may be obtained only upon approval of DFAS-IN/JJFKCB. Requests for additional media must include justification of the need for more than one medium. If the check-signing machine uses one set of two plates for signing, additional media may be obtained only upon approval of DFAS-IN/JJFKCB.

5.2.2. Format and Quality of Impression. DFAS-IN/JFKCB will not accept facsimile signatures that do not meet required standards. Design facsimile signature media so that the frame or border which encloses the facsimile signature is a single wavy line that contains no identifying characteristics. Characterize the impression of the signature with sharp lines, a continuous and homogeneous deposit of ink, absence of filling, and absence of pronounced ribbon pattern.

5.2.3. Approval. Upon receipt of the signature media, the DO whose signature is reproduced runs 14 specimens of each facsimile signature, certifies two of the copies as true facsimiles, and mails all 14 copies to DFAS-IN/JFKCB with a memorandum requesting approval of the facsimile to sign checks. The reply of approval authorizes use of the check-signing machine. If the specimens do not match, or the medium does not meet required standards, DFAS IN/JFKCB advises DFAS-IN/ZTA and requests correction. Do not sign checks by facsimile signature before receipt of DFAS-IN/JFKCB approval.

5.2.4. Custody. The DO establishes and implements controls necessary to prevent unauthorized use of signature media. Maintain custody receipts for all signature media held by authorized deputies, and a record of each run of checks through the check signer and reconcile this report with the report of checks issued. When not in use, keep signature media in an approved safe or vault. If the signature media are not removable from the check-signing machine, keep the keys to the machine in an approved safe or vault.

5.2.5. Use. Check signing by signature media should be performed by only the DO or designated DDOs. When considered necessary for efficient operation of the disbursing office, the DO may authorize (in writing) the holder of a specified position other than a DDO to perform this function. Do not appoint individuals as DDOs solely to sign checks by signature media.

5.2.6. Destruction

5.2.6.1. Signature Medium. If a signature medium is to be withdrawn from service (e.g., not to be used again or DO retiring from service) or is unserviceable, destroy it locally. This destruction must be by someone other than the DO and be witnessed by two individuals equal to or senior in rank to the DO.

5.2.6.1.1. Before destruction, the DO verifies the signature plate number or serial number of the digitized signature medium and witnesses the information on the certificate of destruction.

5.2.6.1.2. Identify name, title, and grade or rank of the DO; complete mailing address of the disbursing station; date and method of destruction; DSSN; typed name, title, and grade or rank of the witnesses; the DO's signature; and a statement as to whether or not the digitized signature medium had to be loaded to a printer or check signer software.

5.2.6.1.3. When a signature plate is destroyed, include in the certificate of destruction the specific plate number and an inked impression of the plate.

5.2.6.2. Digitized Medium. If a digitized medium containing the DO's signature is destroyed, and that signature had been loaded to a printer or check signer software, the DO verifies that the signature has been permanently removed from the printer or check signer software. This destruction must be by someone other than the DO and be witnessed by two individuals equal to or senior in rank to the DO. The DO signs the certificate of destruction only after the actual destruction of the signature medium. Immediately upon destruction, the certificate identifying the specific plate and date of destruction must be given to the DO and the federal entity official responsible for maintaining specimen signature files. Follow applicable federal and industry information technology regulatory requirements and standards when destroying an electronic file of a facsimile signature (see [ITFM 4-5025.20](#)).

6.0 PROMPT DELIVERY OF CHECKS

6.1 Delivery

Once prepared, deliver checks promptly to payees. The DoD requires participation in the direct deposit program for all newly enlisted, reenlisted, appointed (commissioned), or retired military personnel and all newly hired civilian personnel. Title 31, U.S.C. § 3332 requires that contractors be paid by EFT.

6.2 Safeguarding and Handling

6.2.1. Properly safeguard checks, handling them as few times and by as few people as practical.

6.2.2. Ensure proper custody, signing, and delivery of checks. If checks are handed to the payees, require that payees identify themselves. Utilize the payee identification process discussed in Chapter 9, paragraph 4.4.

6.2.3. Promptly return to the disbursing office checks not delivered within the time specified by the DO.

6.2.4. Keep checks in a safe, vault, or locked fireproof cabinet pending distribution or return to the DO.

6.2.5. Designate personnel engaged in pay delivery activities in writing and supervise them to help prevent any unauthorized, fraudulent, or other irregular activities.

6.3 Delivery by Mail

The normal method of check delivery is by mail through the USPS to payees' residential mailing addresses or post office boxes. At overseas activities, payees' organizational addresses are considered their residential mailing addresses; organizational addresses are otherwise not valid. When check delivery by mail is impractical, commanders or their designees may provide specific locations where payees may receive their checks. If checks are mailed to specific locations for

delivery, the DO appoints a person in writing at each location to deliver the checks as a designated third party (see paragraph 6.5).

6.4 Outside the Continental United States (OCONUS)

6.4.1. Restrictions. Under Title 31, Code of Federal Regulations (CFR), 211.1 ([31 CFR § 211.1](#)), the Secretary of the Treasury prohibits agencies from sending checks to the Republic of Cuba (except to the Naval Base, Guantanamo Bay) and the Democratic People's Republic of Korea (North Korea). DOs instead withhold payment and establish the liability on their books. Go to the Treasury's [Office of Foreign Assets Control](#) website for a complete listing of designated nationals and blocked persons.

6.4.2. Exceptions. The restrictions in subparagraph 6.4.1 do not apply to checks payable to foreign governments, issued to pay salaries or wages, or for goods or services purchased by the U.S. Government (see [31 CFR § 211.3](#)).

6.4.3. Claims for the Release of Withheld Checks or Proceeds. The agency originally responsible for authorizing the issuance of proceeds processes claims to release them (see [31 CFR § 211.2](#)). If an agency withholding payment receives a valid claim, it issues a check and decreases the related liability. If the proceeds of withheld checks were on deposit with the Fiscal Service before April 1976, and are still in deposit fund account 20X6048 (Proceeds of Withheld Foreign Checks), submit requests for payment with an appropriate recommendation to the U.S. Department of Treasury, Fiscal Service, Budget Reports Division, Governmentwide Accounting, 3201 Pennsy Drive, Building E, Landover, MD 20785. The telephone number is (202) 874-5202.

6.5 Delivery by Designated Third Parties

Personal delivery of multiple checks may be impractical for the DO, or it may not be expedient to mail them to addresses of record. Under such circumstances, and with the guidance for delivery of checks noted in paragraph 6.2, the DO may deliver or mail checks to a designated third party for distribution. A third party is any individual authorized to distribute a quantity or bulk shipment of checks to payees. A person who maintains pay accounts or prepares checks is not authorized to distribute checks.

6.5.1. Appointment/Termination of Designated Third Parties. A DO may appoint individuals to serve as third parties for bulk check delivery. A [Fiscal Service \(FS\) Form 210DA](#), Designation for Agent to Receive and Deliver Checks, is available for this purpose. A DO may appoint one or more alternates to prevent distribution delays in the absence of the designee. Alternates may also assist in check distribution when conditions warrant. The DO ensures revocation of appointments upon appointee transfer, when bulk delivery is no longer needed, or as other circumstances warrant. Appointments by memorandum must include:

6.5.1.1. The name and title of the appointee,

6.5.1.2. The name and location of the DO,

6.5.1.3. The applicable DSSN(s),

6.5.1.4. The date of the appointment, and

6.5.1.5. A description of the types of checks to be delivered.

6.5.2. Transporting Checks to Designated Third Parties. Package bulk shipments of prepared checks separately from other correspondence and send them by registered mail. Send bulk shipments for a unit or group of units to a third party for distribution or delivery to payees, or reship them to another third party for delivery where the military unit is located. Include the checks, transmittal letter, and documentation needed for the specific payments.

6.5.3. Release of Checks to Other Than Payee. Designated third parties may not release checks to anyone other than designated payees. When the payees are absent at the time of delivery, see subparagraph 6.5.5 for handling checks.

6.5.4. Judge Advocate or Investigative Agent Third Parties. When advance payments are issued for witnesses subpoenaed for trial, a representative from a DoD Component investigative agency, or a judge advocate charged with serving the subpoena, delivers the checks when the payees are absent at the time of delivery.

6.5.5. Third Party Disposition of Undelivered Checks. Unless otherwise directed, return checks for payees not present to the DO before the close of business that day. Inform payees who were absent to call the disbursing office to receive them. If locked fireproof file cabinets or safes are available, the DO may authorize the designated third party to hold undelivered checks for a specified short period. When payees are on extended periods of leave or absence, return their checks to the DO for disposition. Return checks found to be in error to the DO. The DO issues a new check to the payee after appropriate corrective action.

7.0 EXCHANGE-FOR-CASH CHECKS

7.1 Report

All exchange-for-cash checks must be reported through PIR citing the DO Cash TAS and the proper BETC code. Spoiled exchange-for-cash checks that have not been reported to Treasury are not impacted by daily reporting and must follow the guidance listed in paragraph 9.1. Spoiled checks that have been reported to Treasury must be resolved by one of the following methods.

7.1.1. Accommodations. Accommodation exchange-for-cash checks are allowed only when satisfactory banking facilities do not exist and are typically only OCONUS. In OCONUS areas and for ships afloat, the DO's commander may authorize **cashing** negotiable instruments (see Chapter 4, section 2.0). These checks may be prepared and issued by DOs for official purposes to a DDO, agent, or cashier as an advance of cash; to the USPS for remitting collections for the sale of postal money orders; or to the Western Union for remitting collections for personal messages of military personnel transmitted over DoD communications facilities to points inside the continental United States (CONUS).

7.1.2. Advance Cash. These checks are issued by the DO to advance cash to a DDO, agent, or cashier. Checks issued as advances must be endorsed to the order of the bank or other institution furnishing the cash, or when cashed by another DO, to that officer by title and activity rather than by name as, "Pay to the order of the Disbursing Officer (name of ship, station, activity, or unit)." Make checks issued to remit collections for the sale of postal money orders or personal messages payable to the DO, USPS, or Western Union, as appropriate.

7.1.3. Check Cancellation. See paragraph 10.5 for guidance on disposition of canceled available checks. Deposit exchange-for-cash checks in Over-the-Counter Channel Application (OTCnet) utilizing the DO Cash TAS.

7.1.4. Unavailable Check Cancellation (UCC). Exchange-for-cash checks that are lost, stolen, or destroyed should follow the guidance in paragraph 7.5. Enter a Standard Form (SF) [1184](#), UCC, utilizing the DCRM's UCC subsystem with stop reason code "D" (For stop reason codes, see [I TFM 4-7055.20c, Appendix 1](#)) and, upon receipt, process a Classification Transactions and Accountability (CTA) transaction reducing both the budget clearing account **F3880 (UCC and Overpayments, Suspense) and the DO cash account.

7.2 Preparation and Handling

Do not show the name of the remitter and identifying references to invoices on exchange-for-cash checks. DOs may draw these checks payable to themselves, a DDO, or an agent for purposes of obtaining operating cash. When authorized in writing by the DO, for purposes of obtaining operating cash, DDOs may draw these checks payable to themselves.

7.3 Cash Belonging to Deceased or Missing Persons

7.3.1. Died or Missing. Exchange cash found in the personal effects of a person who has died or is missing in action for a Treasury check. Make the Treasury check payable to the payee designated by the officer having custody of the personal effects. State the purpose for which the check is drawn as "Exchange-for-cash; personal effects of (name, rank or rate, file or service number)." Draw a separate check for safekeeping deposits of each person (see Chapter 16, paragraph 3.5).

7.3.2. Unknown Whereabouts. Collect cash found in the personal effects of a person whose whereabouts are unknown, including absentees and deserters, into a deposit fund account. Funds that have been held in a deposit fund for more than 1 year can be transferred to account 20X6133 (Payment of Unclaimed Moneys), or into account **R1060 (Forfeitures of Unclaimed Money and Property). Make a separate collection for safekeeping deposits of each person.

7.4 Exchange-for-Cash Checks Returned as Not Required

Do not cancel exchange-for-cash checks issued for advances to DDOs, agents, and/or cashiers and returned to the DO as “not required.” The payee’s endorsement on the check is not required. The DO endorses the check and deposits it as prescribed in Chapter 11, section 8.3. DOs cannot accept the return of exchange-for-cash checks from any payee other than a DDO, agent, or cashier. Other exchange-for-cash checks are issued to the purchaser and must be negotiated by the payee.

7.5 Exchange-for-Cash Checks Lost, Stolen, or Destroyed

7.5.1. When Issued to an Individual. When the payee of an exchange-for-cash check reports the check as lost, stolen, or destroyed, the DO follows section 11.0. For UCC, the DO may not issue a recertified payment to the payee before receipt of credit for the original check from the Treasury, since the original check was issued in exchange-for-cash as opposed to any entitlement chargeable to an appropriation.

7.5.2. When Issued as an Advance of Cash to a DDO, Agent, or Cashier. For lost, stolen, or destroyed exchange-for-cash checks that were issued to advance cash, the DDO, agent, or cashier remains accountable for the cash.

7.5.2.1. Accountability. The DDO, agent, or cashier accounts for the check as a loss of funds. A DO may replace the lost check with a recertified payment check (or a new advance of cash) if he or she considers it necessary due to operational requirements.

7.5.2.2. Offset Loss of Funds. After receiving credit for the lost check, the DO prepares an [SF 1080](#), Voucher for Transfers Between Appropriations or Funds, to transfer the credit from the **F3880 account to offset the loss of funds in the DO’s accountability (see Chapter 6). Give a copy of the SF 1080 to the DDO, agent, or cashier to document the Treasury’s cancellation of the lost check, use the credit to offset the loss of funds, and file a copy with the UCC documentation.

7.5.2.3. Negotiated Lost Check. If the lost check is subsequently negotiated after cancellation by the Treasury (in which case, the Treasury will reverse the previous credit), the DDO, agent, or cashier is accountable for the original lost check and must re-establish the loss of funds.

8.0 CHECK ISSUE DISCREPANCIES

8.1 Adjustment of Duplicate Checks

Treasury accepts only one issue/paid record for any given DSSN and check serial number and will issue a debit voucher to charge the disbursing office for a second check received for payment with the same DSSN and check serial number. Should a DO receive a debit voucher for a duplicate check to which the payee is entitled, request that NPIRC reverse the debit voucher for

the correct check serial number of the duplicate check. The DO must also provide a copy of the debit voucher to NPIRC (see [ITFM 4-6040.10](#)).

8.2 SF 1219, Statement of Accountability Adjustments

8.2.1. Prior-Month Checks Issued. A common reason for a [SF 1219](#) adjustment made by the DO is a prior-month check issue adjustment. Do not report prior-month issue of checks as current-month checks issued, as this will cause check issue discrepancies for both issue months. An SF 1219 adjustment is necessary to realign the check issue reporting to the proper issue month of the checks.

8.2.2. Clear Check Issue Discrepancy. To clear check issue discrepancies resulting from erroneously reported prior-month checks issued, the DO prepares a journal voucher (JV) to decrease the overstated check issues and increase the check issues for the proper month. For audit trail purposes, reference the check numbers and issue dates of the prior-month checks being adjusted between months on the JV.

8.2.3. Request for Adjustment. If the DO's financial records reflect the correct check issued data for the proper month, and the error is limited to the Treasury's record of the SF 1219 check issue total identified in the check reconciliation process, the DO sends a request for adjustment to the NPIRC.

8.3 Erroneous Information Reported on the Financial Management Service (FMS) Form 5206, [Advice of Check Issue Discrepancy](#)

The DO reviews the FMS 5206, a copy of the check, disbursement voucher, and the check issue report data. If the DO determines the check was paid for an amount different from its original issue amount, the DO returns the FMS 5206 to the Treasury with a memorandum stating the reason for returning without action. Support the memorandum with copies of the documents used to determine that the FMS 5206 is in error. Generally, the situation described is indicative of a bank processing error or alteration of the check by the payee. In either event, the explanatory memorandum returned with the FMS 5206 is sufficiently clear to enable the Treasury to initiate reclamation action through the banking system.

8.4 Relief of Liability

Both underdrafts and overdrafts are illegal, incorrect, or improper payment irregularities in the DO's account. The DO has the authority and the means to correct underdrafts. Overdrafts frequently are not within the power of the DO to correct. If a check issue overdraft resulted in an overpayment of a payee, the overpayment amount is an erroneous payment debt. When the DO has attempted to contact the payee and failed, or when the payee has been notified and has neither the ability nor the inclination to make restitution, the DO transfers the debt to the supporting DFAS site for further collection action. To meet standards for relief of liability, transfer uncollectible overdrafts to the supporting DFAS site within 180 days. After the debt has been transferred, relief of liability for the illegal, incorrect, or improper payment may be requested (see Chapter 6).

9.0 SPOILED AND VOIDED CHECKS

9.1 Spoiled and Voided Checks

When a check is spoiled during the issue process, the DO must void the check. Spoiled checks are treated as voided checks. Void a check that is misprinted or mutilated during the issue process or is determined not to be a proper payment and has not been reported as a check issue with a dollar amount greater than zero. Report destroyed unused and lost or stolen blank checks as voids. Render checks voided by the DO non-negotiable by typing or stamping the words “Void - Not Negotiable. No Check Issued Under This Number.” If a DO cannot report the voided checks as required, it must email Fiscal Service at RRB.OSD-NPIRC-PM@fiscal.treasury.gov (see [ITFM 4-6030](#)).

9.1.1. A check reported to the Treasury as a valid check in a dollar amount greater than zero may not be voided under any circumstances. The DO stamps the check, “Not Negotiable - For Deposit Only. Credit of Agency Location Code #####.” The DO deposits the check using OTCnet, to credit the proceeds of the check to the appropriation from which it was issued and process the check as either an available or UCC, as appropriate, following section 10.0.

9.1.2. If the payment associated with the voided check is otherwise proper, replace it with the next available check in the series and in the same format used for the original voided check. Annotate on the original voucher, the copies of the voucher, and the check issue log to indicate the original check was voided and the number of the replacement check used for the payment.

9.2 Storage

The DO stores spoiled and voided checks in the vault or safe, segregated from other checks.

*9.3 Disposition

The DO destroys spoiled and voided checks locally as soon as possible, [following the destruction guidance in section 15.0](#).

10.0 AVAILABLE CHECK CANCELLATIONS

10.1 Competitive Equality Banking Act of 1987 (CEBA)

[CEBA](#) amended 31 U.S.C. § 3328 and created a new section 31 U.S.C. § 3334 that establishes time limits on the payability of Treasury checks. CEBA affects the time allowed for negotiating Treasury checks, initiating and processing claims, recovering monies from financial institutions, and requesting replacement check payments. The underlying obligations for which Treasury checks were issued are not affected. CEBA legislation does not impose the same payability restrictions on check payments made from limited depositary accounts. CEBA requires that Treasury checks be negotiated within 1 year of their issue dates. DOs may cancel checks within this 1-year period when the check is drawn under the DO's own DSSN, under the account of a predecessor DO of the same activity and DSSN, or under an account being settled by the DO.

A DO may not cancel a check over 1 year old. Checks may be canceled when the disbursing account is closed or current, or the proceeds of the check are for repayment to an appropriation or fund account, which is current or expired (see [ITFM 4-7030](#)).

10.2 Exceptions Include:

10.2.1. Checks recovered or returned to the possession of the DO after being submitted for a UCC are stamped with “Not Negotiable, Previously Treated as Canceled SF 1184 dated #####.” These Checks are retained for 90 days and then shredded. A DO receiving a returned check for an activity or DSSN no longer in operation stamps the check “Not Negotiable” and sends it to the successor or settlement DO;

10.2.2. Checks involving holder-in-due-course claims, see paragraph 13.2;

10.2.3. If substantial portions of mutilated checks are missing, see I TFM 4-7030; and

10.2.4. Checks that are at least 1 year from the date of issue (stale dated).

10.3 Undeliverable Checks

The DO keeps a record of undeliverable checks on the DoD [\(DD\) Form 2658](#), Returned and Undeliverable Check/Bond Record. An electronic system is acceptable to record undeliverable checks if it includes all the same information as on the DD 2658. The DO provides the information or a copy of the DD 2658 to agents, cashiers, and appropriate entitlement offices for their use. Do not remove undelivered checks from the safe or vault or allow deputies, agents, or cashiers to hold them except for immediate delivery to payees, or for cancellation and deposit.

10.3.1. Safekeeping. DOs keep undeliverable checks in a safe or vault, filing them in an order best suited for ready identification when claimed, or for mailing upon obtaining a proper address. At a minimum:

10.3.1.1. Open mail with returned Treasury checks in the presence of two people;

10.3.1.2. Limit access to the returned Treasury checks processing area; and

10.3.1.3. Secure the checks in a locked container if there is a delay between the time the checks are received and when they are defaced (see Chapter 3, paragraph 3.4).

10.3.2. Undeliverable Due to Death of the Payee

10.3.2.1. Deceased Military Members. The issuing DSSN cancels checks payable to deceased military members promptly and credits the value to the individual's pay account pending payment to a properly designated beneficiary.

10.3.2.2. Deceased Civilian Employee. See Volume 8, Chapter 10, section 5.0.

10.3.2.3. Other Payees. Deposit checks drawn to other deceased payees as undeliverable checks. Obtain an [SF 1055](#), Claim Against the United States for Amounts Due in the Case of a Deceased Creditor (see [19 CFR § 24.70](#)).

10.3.3. Checks Undelivered at Time of Relief. When a DO is relieved by another DO, or the DSSN is deactivated and disbursing for that activity is assumed by another activity due to consolidation, transfer of function, or other reason, the relieving DO or gaining activity assumes custody of and processes the undelivered checks. If the DO is transferred from disbursing duty without a relief, or the disbursing function is not assumed by another activity, process the undelivered checks as collections on an [SF 1098](#), Schedule of Canceled or Undelivered Checks, and deposit them whether or not the three-workday holding period has elapsed.

10.3.4. Special Actions on Canceled Checks Held by the Disbursing Office

10.3.4.1. Military Payrolls. When canceling a military pay and allowances check, the DO [ensures](#) the adjustment [is also processed on](#) the [member's](#) Master Military Pay Account.

10.3.4.2. Civilian Payrolls. When canceling a check in payment of civilian pay, the DO notifies the payroll office to make the appropriate payroll adjustment.

10.4 SF 1098

10.4.1. Check Credit. Credit a check that is undelivered within three workdays of receipt in the disbursing office to the appropriation originally charged using an SF 1098 prepared in triplicate.

10.4.2. Lack of Accounting Data. If the proper appropriation to be credited cannot be determined immediately, collect the amount of the check into account **F3875 (Budget Clearing Account, Suspense). Include on the SF 1098 all information available as to the identity and location of the payee of the check. Keep a copy of the documentation in a separate file to support each item in the suspense account. The DO acts aggressively to identify the proper appropriation and removes the item from the suspense account as soon as possible. If the proper appropriation remains unknown after 60 days, transfer the funds to Treasury's miscellaneous receipt account **R1060 on an [SF 1081](#), [Voucher and Schedule of Withdrawals and Credits](#).

10.5 Disposition of Canceled Available Checks

10.5.1. Canceled Checks. Process canceled check transactions authorized by this section in a manner similar to that for collections. Upon receipt of a check to be canceled, prepare an SF 1098 as the collection voucher and credit the appropriation originally charged for the payment. Show all lines of accounting charged and credited on the original disbursement voucher, assign a collection voucher (CV) number, and print the CV number and the date of collection on the back of the canceled check. Deposit the canceled checks for credit to the DSSN used by the DO canceling the checks. An endorsement stamp is required for canceled checks.

10.5.2. Defacing Returned Checks. Ensure that each canceled check is defaced by stamping the legend "Not Negotiable" in a color other than black (preferably red) and in prominent enough size to remove all possibility of negotiation.

10.5.3. Deposit Ticket. Deposit canceled checks on a deposit ticket separate from other negotiable instruments. DOs with OTCnet capability may deposit their canceled checks through this system.

10.5.4. Frequency of Deposits. Checks received for cancellation do not need to be deposited daily but must be canceled within three business days of receipt. These checks may be held in the DO's safe or vault pending preparation of a consolidated deposit ticket. In situations where check deposit volume is minimal, or where electronic deposits utilizing OTCnet are not available, send deposits to the [Federal Reserve Bank \(FRB\)](#) no later than the 25th of the month of receipt. Checks received after the 25th of the month may be retained and deposited the following month. All CONUS DOs deposit canceled Treasury checks with the nearest FRB. DOs in Alaska, Hawaii, and foreign countries deposit them with the general depository normally used for making deposits-for-credit to the Treasury's General Account. See Chapter 11, [paragraph 11.3](#) for deposit reconciliation requirements.

10.6 Claims for the Proceeds of Canceled Available Checks

When a claim is received for the proceeds of a canceled available check, and all or a portion of the amount is due to the claimant, the disbursing office that collected and deposited the original undeliverable check pays the claim on payroll or other vouchers prepared, processed, and certified the same as a current payment. This does not preclude an undeliverable military paycheck from being canceled by the issuing DO so that the member may be paid at a new duty station. Use an [SF 1034](#), Public Voucher for Purchases and Services Other than Personal, to make these payments and charge them to the accounting data credited on an SF 1098, referencing the original undeliverable check by serial number, amount, DSSN, month, year, and account in which the undeliverable check was collected. Pay claims received for items transferred to the **R1060 account from the 20X1807 (Refund of Moneys Erroneously Received and Covered) account.

11.0 UCC

11.1 Unavailable Checks

Cancel unavailable Treasury checks less than 12 months old as lost, stolen, mutilated, not received by the payee, and also cancel when the DO determines that the payee is not entitled to the proceeds of the check. To file a non-receipt claim against a Treasury check, the DO must submit a UCC online through TCIS or via file transmission (see [I TFM 4-7045.10](#)). Checks canceled are credited by the Treasury to account **F3880 through the Intra-governmental Payment and Collection (IPAC) system. Utilize a CTA transaction to move the funds out of account **F3880 to the proper program TAS, deposit fund account, or DO Cash TAS along with the proper adjustment BETC code. Such situations include death of the payee before the check issue date, non-receipt of a recertified payment by the payee when the original check has been received and cashed, and receipt of a cash payment and a check payment for the same entitlement.

11.1.1. Payees have 1 year from the date of issue of the check to file a claim of non-receipt with the issuing disbursing office, which then submits an SF 1184 to the Treasury within 13 months of the issue date. The Treasury has 18 months from the date a check is paid to reclaim monies from the financial institution if the payee files a claim of forgery or unauthorized endorsement.

11.1.2. Checks unavailable to the payee and/or the DO, and for which entitlement to the payment exists, may be replaced by a new check called a recertified payment check. Such a payment bears a new check serial number and is vouchered, certified, and recorded as a new disbursement. The DO must control, cross-reference, and track original and recertified payments indefinitely or until both have been paid, recovered and destroyed, or canceled.

11.2 DD Form 2662, Recertified Payment Register

Maintain the [DD 2662](#) to provide the necessary cross-reference and control over UCCs. An electronic log is acceptable if it contains the same information as the form (see Volume 1, Chapter 9, section 2.0 for records retention).

11.3 SF 1184

11.3.1. Cancellation Form. The SF 1184 is required for all cancellations. Bulk losses of original checks require the preparation of an SF 1184 for each check.

11.3.1.1. Use this form to stop payment, obtain photocopies, or check the payment status of unavailable Treasury checks. Input stop reason codes to designate the desired action. Although this form attempts to stop payment on a check, there is no true stop payment action. The payee may still negotiate the check, and the DO is responsible to recoup the money.

11.3.1.2. If a check is presented for payment after Treasury has given the DO a credit to the **F3880 account, Treasury will reverse the credit and provide the DO the documentation, including a photocopy of the paid check. The DO must then research and take the appropriate corrective action, including collection efforts when dual negotiation has occurred. See subparagraph 11.3.2 for guidance on preparing and submitting an SF 1184, and paragraph 11.9 for guidance on handling the credits and reversals of credit in the **F3880 account.

11.3.2. Processing. Use DCRM's UCC subsystem to enter SF 1184s and transfer them to the Treasury biweekly. Contact the supporting DFAS site for questions on the SF 1184.

DFAS – Cleveland (DFAS-CL)
1240 East 9th St
Northpoint 7th Fl (JAFBA)
Cleveland, OH 44199-2056
Email: dfas.cleveland-oh.zte.mbx.ccl-mb-checkissues@mail.mil

DFAS – Columbus (DFAS-CO)
DFAS-JDBB/CO
PO Box 182317
Columbus, OH 43218-2204
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11.4 Claims of Non-receipt, Destruction, Loss, or Theft

11.4.1. Payee Request for Claim

11.4.1.1. Treasury will deny a claim of non-receipt, destruction, loss, or theft of a Treasury check issued on or after October 1, 1989, unless it is presented by the payee to the issuing disbursing office within 1 year from the date of issue.

11.4.1.2. The disbursing office will document the claim on an SF 1184 and submit through the supporting DFAS office so the Treasury receives it within 13 months of the check issue date. If Treasury denies a cancellation credit, it issues a Daily Advice of Status (DAS) with one of the status codes in [ITFM 4-7045.20c, Appendix 6](#). The DO advises the payee of the check status.

11.4.1.3. Fiscal Service forwards a FS [Form 3858](#), Claims Document, to the DO for completion by the payee/claimant. If the check has been negotiated, the payee examines the check copy; if the payee/claimant denies negotiating the check, he/she must complete and sign the FS [Form 1133](#), Claim Against the United States for the Proceeds of a Government Check.

11.4.2. DO's Action. The DO sends the FS 1133, the FS 3858, the photocopy of the check, and any other supporting documentation for the claim to Treasury for processing. If the payee files an FS 1133 to claim forgery or unauthorized endorsement against the check, a recertified payment is not authorized before receipt of a Claims Disposition Notice (CDN), from the Treasury (see subparagraph 11.12.4).

11.5 DD Form 2660, Statement of Claimant Requesting Replacement Check

11.5.1. Payee Request

11.5.1.1. A payee who reports the loss, theft, mutilation, or non-receipt of a Treasury check submits a written statement to the DO. The DD 2660 is the preferred form for the required statement, but a DO may accept a signed letter from the payee in lieu of the DD 2660, provided the letter contains the required information and the certification statement found on the DD 2660.

11.5.1.2. A payee who submits a statement in lieu of the DD 2660 must include the payee's name, SSN, and address; member's name and SSN if different from the payee; type of payment entitlement; whether the check was received, and if so, whether it was lost, stolen, destroyed, or mutilated; whether the check was endorsed by the payee or had a limited endorsement such as "for deposit only;" circumstances surrounding the loss, theft, destruction, or mutilation if the check was received; and the signed statement of certification of the payee. The statement must contain the signed certification statement exactly as cited above blocks 12-15 on the DD 2660. Failure to include this statement could hinder collection efforts if a dual negotiation occurs. Also, if the payee is the one that negotiated both checks, the statement could also be used to establish fraudulent intent.

11.5.2. DO's Action

11.5.2.1. Upon receipt of the signed statement, the issuing DO or settlement officer completes the information required to identify the check (e.g., issue date, check number, amount, and voucher number). Before entering an SF 1184, the DO must verify the check has not been returned as undeliverable.

11.5.2.2. If the check was re-mailed at a later date, the DO notifies the payee of the later mailing date and allows two weeks' delivery time before processing the claim of non-receipt. If the check has not been returned and enough time has passed to allow for mail delivery, the DO uses the information on the DD 2660 to enter an SF 1184 for the unavailable check. Do not submit an SF 1184 involving non-receipt of future dated checks, such as those issued for pay and allowance entitlements, before the date of payment.

11.5.2.3. Do not enter an SF 1184 involving non-receipt until the third working day after the check payment date.

11.5.2.4. The DO sends a copy of the claimant's DD 2660, or other written statement, and a copy of the SF 1184 documentation to the appropriate entitlement area, which must certify that the entitlement for payment still exists before the DO may issue a recertified payment.

11.6 DAS

11.6.1. File. With the exception of the transmittal documents, Treasury returns a DAS on every SF 1184 received. An essential control technique is for DOs to keep a complete file of submitted SF 1184s. Periodic review of the file will show, either by copy of the DAS or by copy of the agency receipt of batch transmittals, the Treasury received and processed all submissions. Follow up incomplete file items within 30 days through the supporting DFAS site by telephone and, if necessary, by submitting a second SF 1184 (see [ITFM 4-7045.20](#)).

11.6.2. Canceled Check Status. Once Treasury has issued a DAS with a status indicating "check canceled; crediting agency," future requests to cancel or obtain photocopies of the canceled check will receive a response, "outstanding check was canceled; agency credited." A photocopy of the check will not be available until the check is presented for payment through the banking

system. Therefore, once a disbursing office has received a DAS with a status code of “Outstanding,” no additional SF 1184s may be submitted for that check number. If the original check is ever presented through the banking system for payment, the DO will receive notification that the Treasury has reversed the credit to the **F3880 account. Treasury will then provide a photocopy of the original check and the claim forms FS 1133 and FS 3858.

11.7 Payments, Accounting Claims, and Enhanced Reconciliation System

11.7.1. TCIS. Treasury’s TCIS is available to obtain digital check images and view check status online. TCIS has payment data and digital images of checks from 7 years ago to the present. Digital check images are in real time and available only for paid checks.

11.7.2. Inquiries. The inquiries on the payments and claims option in TCIS allows inquiries on the status of a single payment or multiple payments at the same time. TCIS is available for use Monday through Friday from 6 a.m. to 12 a.m. (midnight), Eastern Time. No software purchase is required to access this system. See TCIS website under Equipment Requirements for system requirements. To request access to TCIS, contact the Treasury’s Support Center at (855) 838-0743 or TCIS_TSC@stls.frb.org.

11.8 Authorization to Issue Recertified Payments

11.8.1. Recertified Payment. Treasury has delegated authority to DOs to replace checks originally issued by them to include checks lost, stolen, or destroyed both in transit, and after receipt, by applicable payees (see [31 CFR 245](#) and [31 CFR 248](#)). DOs may also issue a recertified payment when the SF 1184 is prepared, based on the facts available. Subject to the restrictions in the following paragraphs, DOs may issue recertified payments as replacements for original checks any time commencing with the submission of the SF 1184. The circumstances associated with each unavailable check govern this timing.

11.8.2. Limitations

11.8.2.1. Do not issue a recertified payment check if:

11.8.2.1.1. The payee of the original check is not entitled to the proceeds;

11.8.2.1.2. The payee died before the original check issue date;

11.8.2.1.3. Insufficient mail time has lapsed from the date the original check was mailed or re-mailed to allow for its delivery and possible return;

11.8.2.1.4. The payee has an outstanding obligation which the payment can offset; or

11.8.2.1.5. The original check is more than 12 months old.

11.8.2.2. Consider all circumstances of situations involving high-dollar-value unavailable checks, payees involved in adverse actions that could result in early discharge or termination, or nonpermanent employees with no vested retirement benefits or sustained work history before issuing a recertified payment. Also, consider the payee's ability to repay in cases of double negotiation and the possibility of offsetting a double negotiation against money, other than salary, due to the payee. For deactivated and closed DSSNs:

11.8.2.2.1. The designated settlement office normally issues these payments. In some situations, (e.g., consolidation), the DO supporting the activity that assumed the disbursing and accounting responsibility for the deactivated or closed office may issue a recertified payment for the deactivated or closed office; and

11.8.2.2.2. Except as prescribed in section 9.0, issue recertified payments only as a disbursement from the appropriation charged for the original check or, if that appropriation is no longer available, a current appropriation available for the same general purpose, subject to limitations on its use.

11.8.3. Issue Before Receipt of Check Status. Delays in issuing checks may affect military and civilian employees' personal financial affairs, DoD relations with private business, and other intangible benefits. Immediate issuance of replacement checks may thus be appropriate. DOs may use stop reason code "A" on the SF 1184 to support immediate check issuance to replace undelivered, lost, stolen, mutilated, or destroyed original checks issued under their DSSN if less than 31 days have elapsed since the check issue date. Limit this service to:

11.8.3.1. Military and civilian personnel for payment of pay and allowances;

11.8.3.2. Banks, credit unions, and other financial institutions unless the DO decides that obtaining the Treasury status is in the government's interest before issuing a replacement;

11.8.3.3. Agencies of the U.S. Government;

11.8.3.4. Foreign governments (If doubt exists as to the status of a foreign payee, treat the payment as a foreign business transaction and issue a recertified payment only after receipt of the Treasury status as prescribed in subparagraph 11.9.4); and

11.8.3.5. Any blanket check regardless of amount.

11.8.4. Issue After Receipt of Check Status. Submit UCCs using stop reason code "D" or "G," and issue a recertified payment only after the Treasury reports the check status as outstanding for:

11.8.4.1. Foreign businesses and contractors where the check payment is made to addresses or financial institutions OCONUS;

11.8.4.2. Payees who have previously negotiated both the original check and the replacement check issued to replace it;

11.8.4.3. Payees who have received more than three replacement check payments in the past six months or more than four in a 12-month period;

11.8.4.4. Payees who report non-receipt of a recertified payment;

11.8.4.5. Payees requesting replacement of an original check more than 30 days old; or

11.8.4.6. Payees other than a deputy, agent, or cashier requesting replacement of an exchange-for-cash check.

11.8.5. Issue When Check Status is Paid. Do not issue a recertified payment check when the DAS from the Treasury indicates the check status is paid (see paragraph 11.13).

11.9 Accounting for Recertified Payments

11.9.1. Accounting. Treasury provides credits for canceled unavailable checks and charges resulting from negotiation of previously canceled unavailable checks through budget clearing account **F3880. This account is restricted to unavailable check transactions; do not use it for any other purpose. It is available to hold credit or chargeback amounts only pending identification of the appropriation or fund charged for the original check issuance. Do not charge the **F3880 account directly for any payment, but transfer amounts in this account to the original appropriation as expeditiously as possible. Do not allow transactions in this account to become stale or unidentifiable, as an unidentifiable balance may result in a DO loss of funds and an associated pecuniary liability.

11.9.1.1. Credits Resulting From Submission of SF 1184s. If an unavailable check is outstanding, Treasury will issue a DAS indicating that the check is outstanding and that it will credit the agency with the proceeds. The Treasury will cancel the check and credit the funds derived from the cancellation to the **F3880 account. DFAS-CL and DFAS-IN receive cancellation credits electronically from Treasury daily or as needed. A hardcopy of the SF 1081 follows the electronic submission. Treasury sends these canceled check proceeds to DFAS-CL and DFAS-IN through CARS and the IPAC system. This will reflect any identifying information provided in the original check issue data submission as detail in the credit transmission.

11.9.1.2. Reversals of Cancellation Credits. If a canceled unavailable check is negotiated by a financial institution after cancellation by Treasury, Treasury will reverse the cancellation credit. The IPAC bill and detail data are available to the DO in real time on the IPAC website for current-month transactions. The detail data remains available to the DO on the IPAC website up to 15 months after the credits and charges are transferred. The detail data must equal the total dollar amount of the IPAC bill. The IPAC bill is the DO's documentary evidence that Fiscal Service provided the credits or charges. Credits and charges are listed separately and are not commingled in the same IPAC bill document or IPAC bill data file (see [ITFM 4-7050.60](#)).

11.9.2. Agency Reporting of Fiscal Service Transfers to the **F3880 Account. Treasury transfers to the **F3880 account via IPAC. By the end of each month, DOs must reconcile their CARS activity by TAS/BETC to their internal accounting system of record and reclassify any transactions to the correct TAS/BETC in the CARS CTA Statement, if necessary. After reporting a credit or charge to the **F3880 account on its internal accounting records, the DO must prepare a JV to clear the credit or charge from the **F3880 account. The funds are returned to the appropriation or fund account identified by the DO. Any credit or charge processed after Treasury Receivable Accounting and Collection System closes on the last business day of the month is accounted for in the subsequent accounting month.

11.9.3. Distribution. Under 31 U.S.C. § 3334(a)(2), return canceled check proceeds to the appropriation(s) charged when the check(s) were originally issued, and treat the canceled check(s) as account(s) payable. Within 15 days of receipt, DFAS-IN and DFAS-CL send the check cancellation and credit detail information to the disbursing office (except as noted in subparagraph 11.10.2) that issued the check(s) and to the disbursing offices' supporting accounting offices. Any reversal of previous cancellation credits issued by Treasury should also be sent in the same manner to the applicable disbursing and accounting offices.

11.9.3.1. DFAS-CL and DFAS-IN send the check credit information, including the details applicable to the disbursing accounts that DFAS-CO manages, to DFAS-CO. DFAS-CL processes or distributes cancellation credit information for Marine Corps disbursing offices.

11.9.3.2. The net dollar amount entered by the Fiscal Service for the **F3880 account is reported on the CARS Account Statement. The ALC 20180009 is listed as the reporting entity. Statement of transaction reporting to clear **F3880 accounts are also shown on the CARS Account Statement with the DO's ALC shown as the reporting entity. The **F3880 reports are cumulative, and only the latest are accessible.

11.9.4. Accounting Office. When the accounting office receives canceled check credits, it transfers them from **F3880 to the original appropriations charged when the payments were made and establishes accounts payable. If a DO replaces an unavailable check before receiving credit from Treasury, the accounting office establishes an accounts receivable in the appropriation or fund charged for the original check, removes the receivable upon receipt of the credit, and transfers the reversal of a previous credit from **F3880 to the original appropriation.

11.9.5. Review of **F3880 Balances. The DO reviews the **F3880 account monthly to ensure necessary actions are taken to clear these transactions. Each time the DO's account is transferred, the incoming DO validates balances in this account (see Chapter 2, subparagraph 4.6.1.8). If the departing DO cannot provide the incumbent DO with documentation supporting the **F3880 items, the departing DO processes the unsupported items as losses of funds under Chapter 6.

11.9.6. Research. Upon receipt of a DAS indicating cancellation credit or reversal information from the supporting DFAS site, the DO initiates research on the check issue data submitted to Treasury to ensure the accuracy of the detailed information (e.g., the DSSN, check serial number, date of issue, and issue amount provided in the cancellation credit or reversal),

which must agree with the original check issue data reported to Treasury. Research any discrepancy in this data to determine its cause and correct it. In the case of a reversal, the DO determines if a dual negotiation occurred by verifying the status of the replacement check. The DO submits an SF 1184 on the replacement check using stop reason code “F” for non-entitlement.

11.9.6.1. If the check for the recertified payment is outstanding, the DO receives a credit to offset the charge for the reversal previously received. If the check has been paid, the DO receives a photocopy of the paid check, a claim form, and a claims document. If both the original and recertified payment checks have been negotiated, the DO begins collection action as outlined in paragraph 11.13. The disbursing office must also notify the appropriate entitlement or subject matter area (e.g., military pay, civilian pay, travel pay, or commercial accounts payable) that Treasury has returned a credit to the activity because the check was not negotiated or has reversed a credit previously received and provided a copy of the DAS.

11.9.6.2. The DO requests the accounting department re-obligate funds to cover the issuance of a recertified payment. Once assured that funds are re-obligated and available, the DO may issue a recertified payment check citing the original appropriation. If the original appropriation is closed, use a current year appropriation for the same or similar purpose.

11.9.6.3. When Treasury provides a reclamation credit, the DO requests the accounting department re-obligate funds to cover the issuance of a recertified payment.

11.9.7. Entitlement to Payment. When notified that an unavailable check has been canceled, the credit has been received, and a recertified payment has been requested, the appropriate entitlement or subject matter area determines if the liability for payment of the underlying obligation is valid before preparing a recertified payment, which is prohibited if the entitlement to payment no longer exists.

11.9.8. Recertified Payments. All recertified payments (including immediate replacements (stop reason code “A”)) must be vouchered, certified by a certifying officer, and charged to the appropriation or fund charged for the original payment. Making a recertified payment under the first two provisions listed in this paragraph requires the establishment of an accounts receivable, supported by a copy of the SF 1184 and/or the DAS, in the appropriation or fund for the amount due on cancellation of the original check. Recertified payments may be made when the disbursing office submits the SF 1184, or at any time in the claims cycle that is:

11.9.8.1. Before the status of the original check is known, when less than 31 days have elapsed from the date of the original check (see paragraph 11.8);

11.9.8.2. After the disbursing office has been advised by the DAS code that the original is outstanding and credit will be provided; or

11.9.8.3. After the credit has been received from Treasury.

11.10 Preparation and Disposition of Replacement Checks

11.10.1. Replacement Checks. Prepare and distribute replacement checks in the same manner as regular checks as described in section 4.0. If a payee claims non-receipt, loss, or destruction of a replacement check, the UCC procedures in section 4.0 also apply to the replacement check.

11.10.2. Returned and Recovered Replacement Checks. When a replacement check is returned by the payee after the original check it replaced has been found and negotiated by the payee, cancel the replacement check on an SF 1098 and credit the proceeds to the appropriation charged when it was issued. Deposit the check with the nearest FRB or branch on a deposit ticket as prescribed in paragraph 10.4. Transfer the chargeback to the **F3880 account from Treasury for the negotiated original check to the appropriation charged when the original check was issued.

11.11 CFIF

11.11.1. Claim Against the CFIF. The CFIF is a revolving fund established under 31 U.S.C. § 3343 to settle payee/claimant claims of non-receipt when an original check has been fraudulently negotiated. Only Fiscal Service may adjudicate claims of forgery against Treasury checks. A claim against the CFIF is governed by the 1-year statute of limitations provided in the CEBA (see subparagraph 12.1.2). Therefore, a claim of forgery must be presented within 1 year from the date the check was issued, otherwise the claim on the check is barred and the payee is not entitled to payment from the CFIF. The DO must submit an SF 1184 on the check within 13 months from the check issue date.

11.11.2. Statutory 1-Year Limit. The statutory 1-year limit on the claim against the CFIF does not affect the underlying obligation of the government for the payment. If the Treasury determines a check endorsement was forged and the payee's claim meets the statutory requirements, Treasury will institute reclamation procedures to recover the proceeds of the forged check through the banking system.

11.12 Check Forgery Claims

11.12.1. Forgery Claims. When Treasury determines that an original check was negotiated and paid by the Fiscal Service on a forged or unauthorized endorsement, a payee may have a valid claim against the CFIF (see paragraph 11.11). The NPIRC is the approval authority for settlement checks issued to replace checks paid over forged endorsements. Fiscal Service does not charge the CFIF for losses resulting from negotiation of checks issued to deceased payees or to payees who were not entitled to the payment. The address is: Department of the Treasury, Bureau of the Fiscal Service, NPIRC, Customer Service Branch, PO Box 515, Philadelphia, PA 19105-0515. Fiscal Service issues settlement checks out of the CFIF if it determines that the payee or special endorsee has established that:

11.12.1.1. The payee or special endorsee presented a timely claim of non-receipt, (e.g., filed a claim within 1 year after the date of check issue);

11.12.1.2. The original check was lost or stolen due to no fault of the payee or special endorsee;

11.12.1.3. The original check was negotiated and paid by Fiscal Service on a forged or unauthorized endorsement of the payee's or special endorsee's name; and

11.12.1.4. The payee or special endorsee has not participated in any part of the proceeds of the negotiation or payment of the original check.

11.12.2. DO's Action. A payee reports the loss, theft, or non-receipt of a Treasury check, and follows paragraph 11.5. A DO whose research determines that the check was negotiated requests a digital image of the check. For checks issued on or after the date of October 1, 1997, obtain a digital check image using TCIS. For checks issued before the date of October 1, 1997, DOs must determine the check status (see paragraph 11.3).

11.12.3. Payee/Claimant's Action. When the check status is "Paid," Treasury provides a photocopy of the original check, FS 1133, and FS 3858. If after examining the check copy, a payee/claimant denies having negotiated the check, the payee/claimant completes and signs the FS 1133 and returns it along with the check copy to Fiscal Service. The FS 1133s and FS 3858s are a combined set of four pages. The FS 1133 is for the payee's declarations and information concerning the unavailable check, and the FS 3858 is the claim reference document that contains the necessary information for the NPIRC to identify the check. Attach a copy of the FS 3858 to any correspondence with Treasury concerning the unavailable check.

11.12.4. Fiscal Service Action. Upon receipt of the FS 1133, the NPIRC reviews the claim form. If the FS 1133 is not complete, it is return to the payee/claimant with a letter advising the corrections needed. If the payee/claimant admits negotiating the check or does not return the FS 1133, take no further action. Consider an FS 1133 complete when all questions are answered and all required signatures are present. If a payee/claimant signs by mark, the mark must be witnessed in the space provided. If the FS 1133 is complete, the NPIRC advises the DO of the status of the claim using a CDN and begins the adjudication process. If the NPIRC determines that the payee/claimant was not involved in the negotiation of the check and did not participate in the proceeds from the check, it settles the claim by initiating a request to issue a check to the payee/claimant or transfer the funds to the DO.

11.12.5. Appeal Process. If the NPIRC denies a claim, a payee/claimant may appeal in writing to the NPIRC. The appeal must be postmarked no later than 60 days after the date of the denial letter. The appeal must include a copy of the denial letter, a signed statement, and any additional information or documentation for further investigation. The appeal must also include the check and symbol number identified in the denial letter.

11.13 Collections of Double Negotiations

11.13.1. Collections. A double negotiation occurs when an original check and its replacement have both been reported as paid by Treasury. The loss occurs on negotiation of the replacement check; the order in which the checks are cashed is irrelevant. A double negotiation is

an illegal or improper payment for purposes of pecuniary liability. The DO initiates collection action to recover illegal or improper payments made by his/her office. If the payee separates from government service, the DO is still responsible to pursue collection action. Normally, collections for illegal or improper payments are one-time cash refunds or lump-sum collections by salary offset and do not warrant installment liquidation. Limit installment repayments to cases of extreme personal hardship.

11.13.2. Collection Action

11.13.2.1. When Treasury notifies a DO that it has reversed a credit to the **F3880 account from a previous cancellation, the DO researches the situation to ascertain if a double negotiation has occurred by determining the payment status of the replacement check. Once a Treasury response confirms a double negotiation, the DO immediately begins collection action. Afford the payee due process rights of collection specified in Volume 16, Chapter 2, sections 4.0 and 5.0 in each case. The most effective means of achieving expeditious recovery is to present the payee a photocopy of the paid original and replacement check and a copy of the claimant's signed statement acknowledging he/she was not entitled to both payments. Due process rights of collection include the opportunity for the payee to contest the validity of the debt. In cases of double negotiation, the payee's right to complete an FS 1133 provides this opportunity.

11.13.2.2. If the payee asserts that one of the checks was negotiated over a forged endorsement, delay collection until the NPIRC adjudicates the payee's forgery claim. If the NPIRC determines the check was forged, the payee does not owe the debt. If the NPIRC denies the payee's claim, the full amount of the check is due and subject to immediate collection. If the payee fails to provide the properly completed FS 1133 within the period allowed to present documentation as to why the debt is not owed, he/she is deemed to have acknowledged the debt and the DO takes immediate collection action. In either situation, complete collection action within 90 days of the receipt of the DAS from Treasury indicating the canceled unavailable original check has been paid, or within 90 days of receipt of the CDN from Fiscal Service indicating the payee's claim of forgery is denied.

11.13.2.3. The DO documents all attempts to collect illegal or improper payments. If all reasonable steps have been taken to collect and the illegal or improper payment becomes uncollectible within the 90-day time limit, the DO transfers the debt to the appropriate office designated to pursue collection of uncollectible debts. See Volume 16, Chapter 2 for debt collection processes. Although the debt is transferred to another office for further collection action, the DO remains pecuniarily liable for the illegal or improper payment until the debt has been collected or relief has been granted; see subparagraph 11.13.1.

11.13.3. Determination of Fraud. Double negotiations could indicate fraudulent intent or misrepresentation. A DO suspecting this reports the situation utilizing guidance in Chapter 6, section 5.0 for possible investigative and/or disciplinary action. Pursue collection action as specified in Volume 16, Chapter 2, paragraph 13.1.

11.14 Relief of Liability for Uncollectible Illegal or Improper Payments

A DO may request relief of liability under [31 U.S.C. § 3527](#) (see Chapter 6, section 6.0).

11.15 Separation of Duties

The payment recertification process is subject to the same management controls as other routine disbursements. The same individual may not authorize, process, and review recertified payment transactions; see Chapter 1, subparagraph 3.5.2.

11.15.1. The minimum acceptable separation of duties consists of preparation of the SF 1184 by one individual, review and approval of the DD 2660 and SF 1184 by the DO or a DDO; preparation and certification of a disbursement voucher by an individual in the appropriate entitlement area, review and approval of the voucher with supporting documentation by a first line supervisor (other than the DO or DDO authorizing the transaction), and authorization of the disbursement by the DO or a DDO.

11.15.2. When the disbursement voucher is prepared in disbursing because of limitations imposed by automated disbursing system processes, or the combination of entitlement and disbursing functions into one unit (as is the case at small activities and most tactical units), the DO ensures that the duties of preparing the SF 1184, preparing the disbursement voucher, reviewing the transaction and supporting documents, and preparing the check are performed by different individuals.

12.0 TREASURY CHECKS CANCELED UNDER LIMITED PAYABILITY

12.1 Limited Payability

Treasury automatically cancels checks issued on or after October 1, 1989, and not negotiated by a financial institution within 12 months of the date of issue. This cancellation occurs in the 14th month after the date of the check.

12.1.1. Pre-CEBA. Before CEBA's effective date, 31 U.S.C. § 3328(a) allowed a Treasury check to be paid (negotiated) any time, and 31 U.S.C. § 3328(c) provided that the limitation on claims against the Government in [31 U.S.C. § 3702](#) (Barring Act) did not apply to an unpaid (not negotiated) Treasury check. Under the latter, the administrative statute of limitations allows consideration of claims to those filed within 6 years after they arise. The following examples illustrate these principles.

12.1.1.1. In December 1978, an individual submitted a \$1,000 claim for lump-sum leave to DFAS. In January 1979, DFAS issued a Treasury check to the claimant, who did not negotiate the check until 1986. In this example, the underlying obligation is \$1,000 or the amount due to satisfy the claim for lump-sum leave. Since the claim for payment was submitted in 1978, the provisions of the Barring Act were suspended (or tolled), meaning a claim was filed within the required 6-year period. Once the Treasury check was issued (1979), the individual also became entitled to a separate claim on that check, which, in 1979, was payable in perpetuity

(31 U.S.C. § 3328(a)). Thus, before CEBA, the individual's right to obtain a replacement check based on the claim to the original unnegotiated Treasury check masked the effect of the Barring Act on the underlying obligation.

12.1.1.2. Modifying the example in subparagraph 12.1.1.1 shows the effect of the Barring Act on the underlying obligation. In addition to the earlier facts, assume further that the individual discovered that he had failed to claim all that was due in December 1978 and that the agency, in fact, owed him another \$250. He may obtain payment for the additional amount of the underlying obligation only if he submits a new claim for the additional amount to the agency within the six-year period following the accrual of the original claim, December 1978. If in 1986, however, the individual, in addition to negotiating the check, submitted a claim for the additional \$250, the claim for the additional amount would have been barred since more than 6 years had lapsed from the accrual of the original claim.

12.1.2. CEBA

12.1.2.1. Obligation Underlying. The CEBA does not affect the obligation underlying the check. The CEBA left the two causes of action separate, one on the underlying obligation and one on the Treasury check.

12.1.2.1.1. The CEBA imposed a statutory limitation on the period during which a Treasury check may be paid and on any claim on account of a Treasury check. It requires the negotiation of a Treasury check within 1 year of its issuance date and states that any claim on account of that check is barred, unless the agency which issued the check receives a claim within 1 year of its issue date. After this period, a request for payment based on the check is barred.

12.1.2.1.2. The payee may still be entitled to payment based on the underlying obligation subject to the six-year statute of limitations in the Barring Act. Accordingly, after the 6-year period following the accrual of the claim, a check may be issued only if the claimant has tolled the Barring Act by making a timely claim on the underlying obligation. CEBA applies to the example in subparagraph 12.1.1.2. If the individual submitted the claim in December 1989 and the check was issued January 1, 1990, a claim on the check expired 1 year after the date of issue, December 31, 1990. Thus, the individual had to complete his claim on the Treasury check before the 1-year period expired in order to obtain a replacement check.

12.1.2.1.3. The CEBA also sets an 18-month statutory time limit from the date a check is negotiated to accomplish bank reclamation. If the statutory requirements for the claim are met and the proceeds of the check cannot be recovered from the banking system through bank reclamation procedures, Treasury issues the settlement check and charges the payment to the CFIF.

12.1.2.2. Underlying Obligation. The lack of availability of a replacement check does not affect a claim on the underlying obligation.

12.1.2.2.1. As an example, because a claim for payment was submitted timely (December 1989), the period of limitation as prescribed in the Barring Act was tolled, and

a check may be issued even if more than 6 years has passed. Conversely, if a timely claim on the underlying obligation had not been received, the claim on the underlying obligation is barred and an agency may not issue a check. Therefore, a claimant who submitted a valid claim to toll the statute of limitations on the underlying obligation may obtain a replacement check even if more than 6 years have passed since the claim accrued or the check was issued.

12.1.2.2.2. Tolling the Barring Act on the underlying obligation does not permit payment in perpetuity. Entitlement to payment is not unlimited; any appropriate defense remains available to the government. If a claimant waits an inordinate period of time to request payment on the underlying obligation of a Treasury check under CEBA, then Doctrine of Laches (a legal term based on neglect or omission to do what one should, thus warranting presumption that one has abandoned right or claim; (e.g., if a payee neglects or fails to file a timely request), the payer can presume that the payee has abandoned the claim) may apply. Further, Treasury records show only if a check has not been presented to it for payment, not whether it was presented to and paid by an intermediary bank.

12.2 Treasury Check Payability

Treasury canceled all Treasury checks issued before October 1, 1989. Those issued on or after that date bear the legend "Void After 1-Year." Treasury will decline payment of checks not negotiated to a financial institution within 1-year from their issue dates. Financial institutions will advise a payee to contact the check-issuing agency if a check is no longer negotiable. Stamp checks returned to the disbursing office as no longer payable (negotiable) "Void - Not Negotiable" and shred them after confirming receipt of the limited payability cancellation credit. Treasury checks issued before October 1, 1989, have already been mass canceled; shred them without confirmation of receipt of a limited payability cancellation credit.

12.3 Treasury Check Claimability

Any claim on a Treasury check is barred unless it is presented to the agency that issued the check within 1 year after its issue date. Since CEBA established a 1-year statute of limitations for claims against Treasury checks, DOs must reject all claims against Treasury checks not received before the expiration of the 12-month period of negotiability of the checks as time barred. DOs should notify claimants that claims of nonpayment of the underlying obligations of the government must be filed with the appropriate entitlement office (e.g., contracting officer for vendors or commercial payees, military pay office, civilian pay office, or travel office). Under 31 U.S.C. § 3702(e), the Secretary of Defense may waive this time limitation on these canceled checks for claims under \$25,000.

12.4 Limited Payability Check Cancellation

12.4.1. Outstanding Checks. During the 14th month after the date of issue, Treasury will identify and cancel all checks that have not been negotiated within 12 months from their issue dates. When check issues are not reported timely and are submitted after the limited payability processing period, Treasury will cancel those that are outstanding at the end of the month in which

the check issued data is submitted, and credit funds derived from these cancellations to the **F3880 account.

12.4.2. Canceled Check Listing. DFAS-CL and DFAS-IN will receive limited payability cancellation credits monthly from Treasury with an SF 1081 and a listing of checks canceled. Where possible, Treasury will send the proceeds of these canceled checks through the CARS and IPAC systems; the transmission will include any detailed identifying information provided in the original check issue data submission. DFAS-CL and DFAS-IN will forward check credit information including the details applicable to DFAS-CO disbursing accounts to DFAS-CO. DFAS-CL will process or distribute applicable cancellation credit information for Marine Corps disbursing offices.

12.5 Reversals of Limited Payability Cancellation Credits

In some cases, checks will be negotiated to financial institutions within 1 year from the date of issue, but processing in the Federal Reserve System will prevent the payment from being applied to TCIS before limited payability cancellation has occurred. In these instances, Treasury will reverse the cancellation credit previously provided to the DO by an IPAC transaction and must provide a copy of the paid item to the DO. Reversal transactions are separate from the monthly cancellation credits.

12.6 Accounting for Limited Payability Cancellation Credits or Reversals

12.6.1. DFAS-IN, DFAS-CL, and DFAS-CO. Under 31 U.S.C. § 3334(a) (2), return the proceeds from canceled checks to the appropriation from which they were paid originally and treat them as accounts payable. Within 15 days of receipt, send the check cancellation and credit detail information to both the disbursing office that issued the check and the supporting accounting office. Any Treasury reversal of previous cancellation credits also should be forwarded to the applicable disbursing and accounting offices.

12.6.2. Accounting Adjustments. Transfer limited payability credits or credit reversals promptly from the **F3880 account to the appropriation charged when the check was issued. For exchange-for-cash checks, post the credits or reversals to Treasury's deposit fund account 20X6133. The accounting office should establish an account payable for each credit or an accounts receivable for each reversal. Account for returned canceled check credits as current liabilities, as the amounts are subject to payment on request upon establishment of a valid claim to the funds. The DO must base entries to these new accounts on the transactions recording the return of canceled check credits to an appropriations account, and reductions for replacement payments to the payee or transfers to miscellaneous receipts upon expiration of the statute of limitations.

12.6.3. Research. Upon receipt of the detailed limited payability cancellation credit or reversal information from DFAS-IN, DFAS-CL, and DFAS-CO, the DO initiates research on the check issue data submitted to ensure that the detailed information provided is accurate, (e.g., the DSSN, check serial number, date of issue, and issue amount provided in the cancellation credit or reversal), all of which must agree with the original check issue data reported when the check was issued. Determine the cause of any discrepancy and correct it.

12.6.3.1. The DO also researches disbursing records to determine if a claim of loss, theft, or non-receipt has been filed on the canceled check, to include a determination of whether the check was previously replaced by recertified or other type of payment. The disbursing office also should notify the appropriate entitlement area (e.g., military pay, civilian pay, travel pay, or commercial accounts payable) that Treasury has returned the credit to the activity because the check was not negotiated within the prescribed period.

12.6.3.2. Upon the request of an entitlement area, DOs should accomplish the verifications described in paragraph 10.5 and advise the entitlement area whether the original Treasury check was canceled, negotiated, or previously replaced.

12.7 Claims of Nonpayment of the Underlying Obligation

See paragraphs 12.1 on limited payability and 12.3 for treasury check claimability.

12.7.1. Claim of Individual Payees

12.7.1.1. Uniformed Service Members. Submit claims for nonpayment of uniformed Service members' (active duty, reserve, retired, and annuitant) pay, allowances, travel, transportation, unused leave, and survivor benefits to the appropriate payroll office. Submit claims by transportation carriers involving amounts collected from them, for loss or damage incurred to property incident to shipment at government expense, to the appropriate payroll office. A determination will be made of the entitlement and verification that a timely submission of the claim was made on the underlying obligation.

12.7.1.1.1. Treasury checks issued in payment of obligations relating to uniformed Service members' pay and allowance entitlements ordinarily are not issued in response to claims. A payee will not normally present a claim before issuance of the original check, thereby tolling the Barring Act. It may be necessary for the entitlement area to consider the extent to which the Barring Act was tolled during periods of active duty performed by the claimant. Include in the package the original check or facsimile and the original documentation from the claimant. When the claim of a member of the Armed Forces accrues during war or within 5 years before war begins, the claim must be received within 5 years after peace is established or within 6 years after the claim accrues.

12.7.1.1.2. If the payee submitted a timely claim and has not been paid, send the claim through the appropriate Component's Assistant Secretary for Financial Management to the General Counsel of the DoD requesting a waiver of the statute of limitations on the claim. If the General Counsel determines that the claimant is entitled to payment of a claim, and if a payment voucher is prepared and sent with supporting documentation to the disbursing office, the DO determines if a replacement check should be issued.

12.7.1.2. Civilian Pay. Claims of nonpayment of Federal civilian employees' compensation, wages, and leave earned by civilian employees of the U.S. Government must be submitted to the appropriate civilian payroll office for determination of entitlement and that a timely claim on the underlying obligation was submitted. Treasury checks issued in payment of

obligations relating to Federal civilian employees' pay entitlements ordinarily are not issued in response to claims. If it is determined that the payee has submitted a timely claim and that the payee has not been paid, the entitlement office certifies the claim and sends it to the appropriate disbursing office for payment.

12.7.1.3. Civilian Travel Pay. Claims of nonpayment of Federal civilian employees' expenses incurred for official travel and transportation, and for relocation expenses incident to transfers of official duty station, must be submitted to the appropriate travel office for determination of entitlement and that a timely claim on the underlying obligation was submitted. Treasury checks issued in payment of obligations for travel pay entitlements ordinarily are issued for claims presented in the form of travel vouchers by claimants. Unlike military and civilian pay cases, the Barring Act's limitation in travel payment cases usually will have been tolled before issuance of the original check when the claimant submitted the travel voucher. If the payee submitted a timely claim and has not been paid, the entitlement office certifies the claim and sends it to the appropriate disbursing office for payment.

12.7.1.4. Residual Claim Categories. Treasury checks are issued to payees to satisfy miscellaneous government obligations. Legal claims under [28 U.S.C. § 1346\(b\)](#) and [28 U.S.C. §§ 2671-2680](#), should be asserted by claimant-payees to the entitlement area within the Military Department with tort claim settlement authority over the claim.

12.7.1.4.1. Similarly, claims for losses incurred incident to government service may be cognizable under [31 U.S.C. § 3721](#) and should be asserted by claimants to entitlement areas with claim settlement authority, such as the Military Department's judge advocate general. Treasury checks for payment of these types of obligations are issued to settle claims asserted by the claimants.

12.7.1.4.2. Unlike military and civilian pay cases, the Barring Act's statute of limitations in residual claim cases usually will have been tolled before issuance of the original check when the claimant submitted the claim. If it is determined that the payee has submitted a timely claim and has not been paid, the entitlement office certifies the claim to the appropriate disbursing office for payment.

12.7.2. Claims of Commercial Payees. Claims of commercial payees are from vendors, contractors, and individuals under contract for miscellaneous services. Claimants or authorized agents submit these claims to the contracting officer, who determines if the claimant is entitled to payment and then sends the claim with supporting documentation to the disbursing office for payment.

12.7.3. Upon receipt of a claim approved by the designated settlement authority, a certified payment voucher from the appropriate entitlement area, and the proper supporting documentation, the issuing DO or the officer assigned to settle accounts for the issuing DO issues a replacement check.

13.0 HOLDER-IN-DUE-COURSE

13.1 Holder-in-Due-Course

A holder-in-due-course claim occurs when a non-banking institution negotiates a Treasury check and the check is lost or stolen before being presented for cash or deposit at a financial institution. Submit holder-in-due-course claims in writing to Fiscal Service for processing.

13.2 Holder-in-Due-Course Claims

Upon receipt of a holder-in-due-course claim, Fiscal Service determines the status of the check. If the check has been negotiated, Fiscal Service returns the claim with a copy of the check advising the holder that the check has been paid and that no further action will occur. If the check has not been negotiated, Fiscal Service provides the holder with an indemnity letter to complete (see Figure 7-1). Once Fiscal Service receives the requested information, and the check is still outstanding, it issues a settlement check to the holder.

13.3 Lost-in-Transit Check

Lost-in-transit items are Treasury checks that have been negotiated and subsequently lost by a financial institution or lost or stolen between the financial institutions and/or the financial institutions and the FRB.

13.3.1. The FRB Atlanta, Government Check Adjustment Department handles these items if the Treasury checks are less than 1-year old.

13.3.2. If a DO or Fiscal Service receives a request to reissue a check that has not been canceled and is less than 1-year old, they must return the request to the financial institution advising it to submit the request to FRB Atlanta, Government Check Adjustment Department.

14.0 CHECK ISSUE REPORTING

14.1 Issue Report

Disbursing offices must report detailed check issue transmittals in a Level 8 format to the Treasury for update to TCIS with check issue detail. The DoD uses DCRM for direct submission of the check issue detail to the Treasury.

14.1.1. DCRM sends the check issue files via Connect Direct, an encrypted electronic host-to-host file transfer process. Enter the check issue detail data files into the DCRM database, which generates a daily electronic file to transfer the detailed check issue data to the Treasury. The DFAS administers DCRM, which tracks the status of all checks on hand and provides inquiry capabilities and reports to reflect issuance discrepancies and acceptance or rejection conditions of reporting.

14.1.2. DOs who do not have direct access to DCRM submit their check issue data to their supporting DFAS site, following that site's guidance for upload into DCRM. Submit the Level 8 check issue data in the most secure method possible, (e.g., an encrypted file). DFAS-CL and DFAS-IN have electronic mailboxes for these submissions or other check issue concerns: dfas.cleveland-oh.zte.mbx.ccl-mb-checkissues@mail.mil for DFAS-CL and dfas.dsccl.zte.mbx.cco-dcrm@mail.mil for DFAS-IN. Send requests for the DCRM Users' Manual to the latter address.

14.2 Submission Requirements

14.2.1. Report detailed check issue data in sequential groups of checks, called transmittals, which uniquely identify the DSSN, accounting month and year, and check series. Submit a new transmittal each time a break in check numbers occurs, or when the issue month changes. DOs reporting check issues for multiple DSSNs submit separate transmittals for each DSSN. A submission of detailed check issue data may consist of one or more transmittals. DCRM reports check issue detail in blocks by DSSN, check series, and issue Julian date format (YYDDD) to the Treasury.

14.2.2. If a check series will not be reported sequentially due to the splitting of a check series range between different locations, uses, or DDOs, the DO reports the split check series range to the DCRM manager at (614) 701-2109, so an adjustment can be made to record the split check series range in DCRM. If check series range splits are not noted, DCRM creates unnecessary management notices about missing and unaccounted checks on its reports. Reporting avoids the additional workload entailed in reviewing and validating these notices.

14.2.3. Submit all check issue transmittals to the Treasury no later than the close of business at the end of the week in which the issue dates occur and at month end. DOs who submit their check issue transmittals through their supporting DFAS site ensure their supporting DFAS site receives their check issue data at least weekly and at month end.

14.2.4. Failure to report check issue data timely increases the possibility for loss caused by banking system errors, check alterations, and counterfeits. If a loss from an altered or counterfeit check occurs because of delinquent check issue reporting, the DO may be held liable for the loss. If the checks issued data are not reported in TCIS, the Treasury will not recognize the check as issued and will not process any actions, such as claims or limited payability cancellation credits, against the check. Also, the Treasury cannot complete a final reconciliation and clearance of a DO's account until all check issue data is received. If the DO is habitually delinquent for 60 days or more, the Treasury may suspend the processing of further print orders for blank Treasury check stock until all delinquent check issue reporting has been accepted into TCIS.

14.3 DO Responsibility for Quality of Data Submitted

The disbursing office is responsible for ensuring the check issue data submitted to the Treasury is accurate. DOs notify their supporting DFAS site immediately after finding an error. DCRM transmits the accepted files to the Treasury each business day but does not change the data. Once TCIS accepts an erroneous check issue transmittal, the file cannot be deleted. Correct all

errors before the file transfer process. If an erroneous data file has been sent to DCRM, but has not been forwarded to the Treasury, place the whole data file containing the erroneous check information in either a “replace” or “suspended” status. Contact your local DCRM manager or supporting DFAS site immediately to change the file from the accepted status in DCRM. In addition, the DO:

14.3.1. Ensures all check issue data submitted to the supporting DFAS site for processing agree with check issue totals on the [DD 2657, Daily Statement of Accountability](#), and the SF 1219;

14.3.2. Submits corrected transmittal(s) within 10 workdays of notification of a rejected transmittal within a file transfer;

14.3.3. Recreates the previously rejected check issue data for a period up to 180 calendar days after submission or replacement of rejected data, if needed; and

14.3.4. Contacts the DCRM manager for further details on how to put an erroneous check file into either a replace or suspended status. To request or make corrections after a TCIS acceptance, follow [section 8.0](#).

14.4 Voided Checks

14.4.1. Report voided checks as zero dollar amounts in the proper sequence with those of other checks issued in the same check range. If a DO reports the check issue detail to the Treasury by sending it to another disbursing office for conversion to data files and/or uploads to DCRM, that DO ensures the voided checks are reported and clearly marked. Stamp or mark the hardcopy check issue listing to indicate that a check is voided and the dollar amount is zero. Do not obliterate the serial number of the voided check from the check listing. If a voided check has not been dated, report a date for the check to facilitate the check issue reporting. DOs submitting their own check issue data to the Treasury ensure inclusion of serial numbers and dates of the voided checks in the transmission with zero dollar values.

14.4.2. A DO who erroneously reported a voided check with a dollar value greater than zero (and the check is under 1 year old) initiates corrective action as soon as the error is discovered without waiting to receive the FMS 5206 and sends Treasury a written request to adjust the check issue detail in TCIS.

14.4.3. If the issue date of the erroneously reported check is over 1 year old, the voided check cannot be adjusted in TCIS; Treasury will issue a limited payability credit for it. Upon receipt of the credit in the **F3880 account, the DO reports the check as a check issue on the monthly SF 1219 and debits the **F3880 account to clear the limited payability credit.

*15.0 DESTROYING CHECKS

15.1 Blank Check Stock

DOs must not destroy unwanted or excess blank check stock that is otherwise still usable without first contacting DFAS-IN/JFKCB.

15.2 Destruction Methods

Destroy checks by either burning or shredding. If destroyed by burning, they must be burned completely. If destroyed by shredding, the fragments may be no larger than 1/8 inch wide and 3½ inches long. Treasury requires the use of a crosscut shredder. The burning method of destruction may only be used, subject to environmental regulations, when a disbursing office does not have shredding equipment. In either event, prepare a certificate of destruction (see Figure 7-2).

15.3 Verification

The DO and at least one witness examine the checks to verify they are the actual checks to be destroyed, verify the check numbers and DSSN with information on the certificate of destruction, and sign the certificate only after witnessing their actual destruction.

15.4 Certificate of Destruction

The DO must notify the Fiscal Service of the destruction of blank check stock by emailing the certificate to RRB.OSD-NPIRC-PM@fiscal.treasury.gov. Keep a copy in the DO's blank check inventory control records (see *ITFM 4-5040.50b*).

Figure 7-1. Sample Affidavit and Indemnity Agreement for Lost Treasury Check

AFFIDAVIT AND INDEMNITY AGREEMENT FOR LOST U.S. TREASURY CHECK

I, _____, [hereinafter (“indemnitor”)] the undersigned, being of sound mind and over the age of 21, capable of making this affidavit and indemnity agreement, duly sworn, state that the indemnitor is the lawful owner of the U.S. Treasury Check Number _____, Symbol _____, Payable to _____, issued by the U.S. Department of the Treasury for the sum of \$ _____. Indemnitor further states that:

1. it/he/she is not in possession of the check now;
2. it/he/she was entitled to enforce the check when the loss of possession occurred;
3. the loss of possession was not the result of a transfer by it/him/her;
4. the loss of possession was not the result of a lawful seizure; and
5. it/he/she cannot reasonably obtain possession of the check because the check was destroyed, the check’s whereabouts cannot be determined, or the check is in the wrongful possession of an unknown person or person that cannot be found or is not amenable to service of process.

NOW, THEREFORE, in consideration of payment of said check to indemnitor of the sum of \$ _____, indemnitor promises to indemnify, defend, and protect the U.S. Treasury from any loss or harm occasioned or sustained by the U.S. Treasury of account of payment of the above described check to indemnitor. THIS AGREEMENT SHALL BE INTERPRETED ACCORDING TO FEDERAL COMMON LAW, INCLUDING APPLICABLE U.S. TREASURY REGULATIONS.

INDEMNITOR

Entity: _____

By: _____

Title: _____

State of _____

County of _____

Before me, the undersigned Notary Public for the State of _____, appeared (name) _____, (title of company) _____, who after being duly sworn, did acknowledge and sign the foregoing AFFIDAVIT AND INDEMNITY AGREEMENT FOR LOST U.S. TREASURY CHECK.

SWORN AND SUBSCRIBED this ____ day of _____, _____

Notary Public, State of _____

My Commission expires _____

Figure 7-2. Sample Certificate of Destruction

(USE APPROPRIATE LETTERHEAD)

May 12, 20XX

MEMORANDUM FOR RECORD

This memorandum certifies that on May 12, 20XX, one hundred and one (101) spoiled Treasury checks serially numbered from 70,006,499 through 70,006,599 (inclusive) and seventy-six (76) voided Treasury checks serially numbered from 70,006,621 through 70,006,696 (inclusive), all bearing disbursing station symbol number 7834, were completely destroyed by shredding.

J.A. HANCOCK
LT, SC, USN
Disbursing Officer

We, the undersigned, certify by signature hereon that the checks listed above were physically verified by us and that all were completely destroyed by shredding in our presence on May 12, 20XX.

G.C. GARLAND, LT, USN

WILLIAM B. ELLIS, ENS, SC, USNR