

VOLUME 5, CHAPTER 2: “DISBURSING OFFICES, OFFICERS, AND AGENTS”**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 [February 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision

Table of Contents

VOLUME 5, CHAPTER 2: “DISBURSING OFFICES, OFFICERS, AND AGENTS”	1
1.0 GENERAL (0201).....	4
1.1 Overview (020101)	4
1.2 Purpose (020102)	4
1.3 Authoritative Guidance (020103)	4
2.0 POLICY (0202).....	4
2.1 Request for Establishment of a Disbursing Office (020201).....	4
2.2 Disbursing Station Symbol Number (DSSN) (020202).....	5
2.3 Employer Identification Number (020203).....	6
2.4 Reporting Activation of a Disbursing Office (020204)	6
3.0 APPOINTING DISBURSING OFFICERS (DOs), DEPUTY DOs (DDOs), AND OTHER ACCOUNTABLE OFFICIALS (0203)	6
3.1 Persons Authorized to Have Custody of Public Funds (020301)	6
3.2 Accountable Officials (020302).....	6
3.3 Appointments (020303)	6
3.4 Exceptions (020304)	7
3.5 Restrictions (020305).....	7
3.6 Terminations (020306).....	7
4.0 DOs (0204).....	7
4.1 Eligibility (020401).....	7
4.2 Appointment (020402).....	8
4.3 Terminations (020403).....	8
4.4 Submission of DD Form 577, Appointment/Termination Record - Authorized Signature and Treasury Financial Service (TFS) Form 3023, Specimen Signatures (020404)	8
4.5 Commencement of Disbursing Duty (020405).....	8
4.6 Transfer of Disbursing Duty (020406).....	9
5.0 DDOs (0205).....	12
5.1 Eligibility (020501).....	12
5.2 Appointment (020502).....	12
5.3 Terminations (020503).....	12
6.0 CHANGE IN THE STATUS OF DOs OR DDOs (0206)	12
6.1 Authorized Absence of DOs and DDOs (020601).....	12
6.2 Death, Incapacity, or Removal of a DO (020602)	12

Table of Contents (Continued)

7.0	OTHER AGENTS OF DOs (0207)	15
7.1	General (020701)	15
7.2	Disbursing Agents (020702)	16
7.3	. Cashiers (020703)	16
7.4	Paying Agents (020704)	17
7.5	Collection Agents (020705)	17
7.6	Change Fund Custodians (020706)	17
7.7	Imprest Fund Cashiers (020707)	18
7.8.	Alternate Agents (020708)	18
7.9	Death, Incapacity, or Unauthorized Absence of Agents (020709)	18
8.0	DEACTIVATING OR CLOSING A DSSN (0208)	19
8.1	Deactivation (020801)	19
8.2	Deposits (020802)	20
8.3	Deposit Fund Account Balances (020803)	20
8.4	Undeliverable Checks (020804)	20
8.5	Blank Treasury Check Stock (020805)	20
8.6	Stored Value Cards (020806)	20
8.7	Standard Form (SF) 1219, Statement of Accountability (020807)	20
8.8	SF 1179, Month End Check Issue Summary (020808)	20
8.9	Equipment (020809)	21
8.10	Discrepancies (020810)	21
8.11	Closure (020811)	21
9.0	IMPREST FUNDS (0209)	21
9.1	Overview (020901)	21
9.2	Safeguarding Imprest Funds (020902)	22
10.0	SETTLEMENT OF DO ACCOUNTS (0210)	22
10.1	Overview (021001)	22
10.2	Responsibility of Relieved Officers (021002)	23
10.3	Settlement Officer Functions(021003)	23
10.4	Settlement Procedures for Naval Vessels (021004)	26
	Figure 2-1. TFS 3023, Specimen Signatures	28

CHAPTER 2

DISBURSING OFFICES, OFFICERS, AND AGENTS

1.0 GENERAL (0201)

1.1 Overview (020101)

Title 31, United States Code (U.S.C.), section 3321 ([31 U.S.C. § 3321](#)) allows the Secretary of Defense to designate disbursing officials to disburse public moneys available to the Department of Defense (DoD). In order to disburse money, a requesting activity must send a request to establish a disbursing office at a new activity. When establishing disbursing offices and associated appointments of accountable positions, DoD Components must be cognizant of internal control guidelines provided in Chapter 1, paragraph [010305](#). See Volume 1, Chapter 9 for financial records retention requirements.

1.2 Purpose (020102)

This chapter addresses policy on DoD's establishment of a disbursing office. A disbursing office is considered necessary for the efficient functioning of an operating activity. The chapter also addresses the appointment of the Disbursing Officer (DO) and other agents appointed to receive and maintain the custody of public funds.

1.3 Authoritative Guidance (020103)

Official funds will be received and disbursed by order or on the authority of the commanding officer, except when directed by a superior in the chain of command or when sanctioned by the Comptroller General of the United States. DoD DOs are authorized by 31 U.S.C. § 3321 to disburse public funds on receipt of vouchers properly certified by persons appointed under [31 U.S.C. § 3325](#).

2.0 POLICY (0202)

2.1 Request for Establishment of a Disbursing Office (020201)

2.1.1. A requesting activity sends a memorandum to establish a disbursing office at a new activity or at an activity receiving disbursing services from an external source by memorandum through its chain of command. Send the memorandum to the Defense Finance and Accounting Service (DFAS), ATTN: Enterprise Solutions and Standards, Disbursing (DFAS-IN/JFKCB), 8899 East 56th Street, Indianapolis, IN 46249-0500. Each level of command endorses the request to indicate concurrence and provides any additional information required by the approving official. Include in the request:

2.1.1.1. Reason(s) why establishing the office is necessary, to include why disbursing operations cannot be conducted by an existing disbursing activity;

2.1.1.2. Anticipated office workload in terms of the number of military personnel to be supported, civilian personnel to be paid, and commercial vouchers to be settled;

2.1.1.3. Proposed date of establishment;

2.1.1.4. Name and location of the nearest Federal Reserve Bank (FRB) or branch, and its distance from the proposed disbursing office. If there is no FRB or branch within a reasonable distance include the name and location of the nearest designated depository, if any, and its distance from the proposed office;

2.1.1.5. An estimation of Department of the Treasury (Treasury) checks for the first year of operation and whether checks will be procured through the normal requisition process or if an emergency supply will be needed (see Chapter 7, section 0703);

2.1.1.6. Name, social security number, and rank or grade of the proposed DO, if known;

2.1.1.7. Estimate of monthly cash requirements (see Chapter 3, section 0302); and

2.1.1.8. Information on plans to implement an automated disbursing system.

2.1.2. When a commander decides that establishing a disbursing office is required for the efficient functioning of the activity, he or she endorses the request to indicate concurrence and provides additional information required by the approving official. In all cases, the commander will provide a statement justifying why an additional disbursing office is required and why the disbursing operation cannot be conducted by an existing disbursing activity. The memo also addresses the appointment of the DO and his or her appointed agents to regularly receive and maintain custody of public funds. The DO may appoint any officer, enlisted member, or civilian employee he or she considers satisfactory as an agent.

2.2 Disbursing Station Symbol Number (DSSN) (020202)

2.2.1. General. The DFAS-IN/JFKCB obtains the DSSN from the Treasury's Bureau of Fiscal Service (Fiscal Service). DSSNs are permanent, and are either open or closed. Open DSSNs are open for an indefinite period. Some open DSSNs may be inactive, and may be either:

2.2.1.1. Contingency, available for use in a military contingency operation;

2.2.1.2. Temporarily deactivated for a specific reason, (e.g., a ship undergoing extensive overhaul for a period of several months may arrange for disbursing service from a shore-based disbursing office or activity); or

2.2.1.3. In settlement pending closure (see section 10.0).

2.2.2. Change in Designation or Location. Coordinate proposed changes in the designation or location (mailing address) of an operating DSSN, to include tactical deployment, with DFAS-IN/JFKCB, who will advise Fiscal Service.

2.2.3. Use of DSSN. The DSSN must appear on all payments, collection vouchers, and Treasury and limited depositary account (LDA) checks processed by the disbursing activity.

2.3 Employer Identification Number (020203)

The DO, who disburses taxable funds, should ensure payments received by entitlements' activities have secured an Employer Identification Number to report taxable income or income and withholdings.

2.4 Reporting Activation of a Disbursing Office (020204)

The DO activating a disbursing office notifies Fiscal Service, Check Reconciliation Branch, through DFAS-IN/JFKCB by memorandum immediately upon commencement of disbursing operations. Include in the memorandum: the name of the disbursing activity, DSSN assigned, DO's name, rank or grade, the opening date of the account, and the first and last serial number of all blank Treasury checks on hand in each check range. Send a copy of the memorandum to the supporting DFAS site.

3.0 APPOINTING DISBURSING OFFICERS (DOs), DEPUTY DOs (DDOs), AND OTHER ACCOUNTABLE OFFICIALS (0203)

3.1 Persons Authorized to Have Custody of Public Funds (020301)

To ensure proper security of and accounting for public funds, assign responsibility for custody and to a limited number of authorized persons to receive, maintain custody of, and disburse or otherwise dispose of public funds.

3.2 Accountable Officials (020302)

Accountable Officials are officers or employees of an agency who are or who may be found to be pecuniarily liable for repayment of losses or deficiencies of public money, vouchers, checks, securities, or records (see Chapter 1, section **0103**).

3.3 Appointments (020303)

Use DoD [\(DD\) Form 577](#), Appointment/Termination Record-Authorized Signature, to appoint accountable officials. This form does not allow multiple appointments simultaneously. It is the only document required to support this type of appointment. Include in item 7 of the form the DSSN, email address, and any specific duties and special instructions. Appointees acknowledge appointment acceptance in Section III of this form. Send a copy of the DD 577 and the required original specimen signature as specified in subparagraph 4.4.1 to DFAS-IN/JFKCB to be maintained in the DO's files.

3.4 Exceptions (020304)

3.4.1. An individual who occasionally receives public funds need not be appointed formally as an accountable official. Funds may be received at times, at locations, and under circumstances that preclude any advance arrangement for their receipt. At some activities, collections are so infrequent that it is impractical to have a formal designation in effect. Funds received by persons other than those formally designated must promptly send funds received to their servicing disbursing office or to another person formally designated to receive them.

3.4.2. The DO at DFAS sites may hold more than one DSSN, and may serve concurrently as a DDO to other DFAS DOs. Each DDO appointed by a DFAS DO may serve under one or more of the DSSNs assigned to the appointing DO and may also serve more than one DFAS DO concurrently. DOs and DDOs at DFAS sites holding multiple DSSN appointments complete a separate DD 577 for each applicable DSSN.

3.4.3. The DO and DDOs aboard Navy vessels may serve concurrently in other accountable positions, (e.g., ship's stores officer, food service officer) when the ship's manpower authorization does not provide Supply Corps officers for each accountable function (see Chapter 1, subparagraph **010305.B**).

3.4.4. When directed by appropriate authority, DOs, DDOs, and their agents may accept, safeguard, account for, and dispose of personal funds and valuables received for safekeeping. Where personnel resources are limited, persons serving as DOs or other accountable officials may also serve as safekeeping custodians at the commander's discretion (see Chapter 16, section **1601**).

3.5 Restrictions (020305)

Except as specifically authorized, do not assign DOs additional duties of order approving authority, certifying officer, custodian of any fund, or other conflict-of-interest assignment.

3.6 Terminations (020306)

Terminate appointments using Section IV of the appointing DD 577.

4.0 DOs (0204)

4.1 Eligibility (020401)

To be eligible for appointment as a DO, an individual must be a U.S. citizen and have previous experience as a DO or have completed (or agreed to complete) specific DO training as defined by the appointing authority.

4.2 Appointment (020402)

The commander, director, or other equivalent appoints a DO using a DD 577 (see paragraph 3.3).

4.3 Terminations (020403)

Terminate appointments using Section IV of the appointing DD 577.

4.4 Submission of DD Form 577, Appointment/Termination Record - Authorized Signature and Treasury Financial Service (TFS) Form 3023, Specimen Signatures (020404)

4.4.1. Official Signature. Before commencing disbursing operations, a DO and all appointed DDOs determine which of their given names and/or initials will comprise their official signatures, and use them on all checks, vouchers, correspondence, and official papers pertaining to the DoD, Government Accountability Office (GAO), and Treasury. Send these signatures, together with the appointing DD 577 and TFS Form 3023, Specimen Signatures (Figure 2-1) to DFAS-IN/JFKCB, having used permanent dark blue, blue-black, or black fade-resistant ink that is not readily soluble in water.

4.4.2. Official Signatures to Other Depositories. If checks will be drawn on a depository other than the Treasury, send the DO's official signature (as well as those of DDOs authorized to sign depository checks) to the depository. An officer whose signature is known to the depository must certify the forms.

4.4.3. Change of Official Signature. A DO or DDO may change his or her official signature by submitting a new TFS Form 3023 to DFAS-IN/JFKCB.

4.4.5. Furnishing Additional Signatures When Transferred to a New Station. The DFAS-IN/JFKCB files specimen signatures under each DSSN used and furnishes them to different banks upon request for use in cashing and processing checks, and may request that a DO or DDO furnish an additional TFS 3023. Since an individual's signature may change over a period of years, DFAS-IN/JFKCB may request additional signatures if needed.

4.5 Commencement of Disbursing Duty (020405)

Immediately upon commencement of disbursing duties, a DO activating a new disbursing office, reactivating a disbursing office that has been temporarily closed, or relieving another DO, prepares a memorandum that includes: the name of the disbursing activity, the DSSN assigned, the DO's name, rank or grade, the opening date of the account, and the beginning and ending serial number of all blank Treasury checks on hand in each check range. If applicable, also include in the memorandum the relieved DO's name and rank or grade. Keep the original memorandum in the disbursing office and sends copies to DFAS-IN/JFKCB and the supporting DFAS site.

4.6 Transfer of Disbursing Duty (020406)

4.6.1. Joint Actions by the Outgoing and Incoming DOs. The outgoing and incoming DOs establish the date to transfer accountability, subject to command approval. Because accountability is reported daily by a full CARS daily reporter, a transfer of disbursing duty is not required to occur on the last day of the month as is required for CARS non-daily reporters. When the transfer occurs, the outgoing and incoming DOs:

4.6.1.1. Verify cash on hand.

4.6.1.2. Verify all other documents that support the Standard Form (SF) 1219, Statement of Accountability, as assets.

4.6.1.3. Verify and inventory all blank Treasury checks and prepare a letter of transfer for them. Both the outgoing and incoming DOs sign the letter. The incoming DO reports all checks issued by the outgoing DO that were not reported to the Treasury before the transfer of accountability and for resubmitting any rejected entries. Include the numbers of the blank checks the incoming DO receives in the commencement of disbursing duties announcement memorandum. The first check in the series must be the next sequential number after the last check listed on the outgoing DO's last check issue report. The last check receipted for should be the same as the last check number previously ordered and received by the outgoing DO. Research any checks missing or out of sequence and void them if necessary.

4.6.1.4. Verify inventory of stored value card stock (see Chapter 10, paragraph [100212](#)).

4.6.1.5. Verify any postal money orders on hand.

4.6.1.6. Verify any safekeeping deposits (see Chapter 16, section [1604](#)).

4.6.1.7. Prepare a memorandum of relief for submission to the commander if required by local regulations.

4.6.1.8. Verify and transfer all documentation supporting balances in clearing accounts **F3880 (Unavailable Check Cancellations and Overpayments (Suspense)), **F3875 (Budget Clearing Account (Suspense)), and **F3885 (Undistributed Intragovernmental Payments). The Treasury Financial Manual (TFM), Volume 1, Part 4, Chapter 7000 ([1 TFM 4- 7000](#)) and the [1 TFM 2-5135](#) require these accounts be cleared to proper appropriations or funds as expeditiously as possible. To clear account **F3880, the outgoing DO presents a detailed list of individual subsidiary transactions, supporting documentation or backup information, and current status. Documented evidence includes certification that the DO or designated DDO personally reviewed the balances in the account within the last month (see Chapter 7, subparagraph [071109.E](#)).

4.6.1.9. Validate unreconciled differences (e.g., check issue and deposit discrepancies, Intragovernmental Payment and Collection system differences). In addition, ensure

that the outgoing DO's accountability, the balance amount on the DoD [\(DD\) Form 2657](#), Daily Statement of Accountability, is reconciled with the DO Cash Treasury Account Symbol (TAS) on the daily Central Accounting Reporting System ([CARS](#)) Account Statement. If the outgoing DO cannot provide documentation supporting the unreconciled items, he or she processes the discrepancies as losses (DoD FMR Volume 5, Chapter 6, section [0604](#)) or overages (DoD FMR Volume 5, Chapter 6, section [0608](#)) of funds.

4.6.2. Actions by Outgoing DO. Upon relief from disbursing duty:

4.6.2.1. Terminate all DDO, agent, and cashier appointments and clear all related [DD 1081\(s\)](#), Statement of Agent Officer's Account.

4.6.2.2. Transfer all cash, negotiable instruments, money accounts, books, property, vouchers, and other retained records to the incoming DO.

4.6.2.3. Prepare and submit a final SF 1219 (marked "FINAL" on the top of SF 1219 just below the title "Statement of Accountability"). The incoming DO signs as prescribed in Chapter 15, Figure 15-4.

4.6.2.4. Prepare a final SF 1179, Month End Check Issue Summary (see Chapter 7, paragraph [071407](#)). The incoming DO signs and marks the SF 1179 as "FINAL."

4.6.2.5. Send a copy of the incoming DO's commencement of disbursing duty memorandum including copies of all the letters of transfer of the total accountability with the final SF 1219 to the DFAS activity where financial reports are submitted.

4.6.2.6. Prepare and send a memorandum to the supporting DFAS site and DFAS-IN/JJFKCB advising of the date and check number of the last check issued.

4.6.2.7. Verify the destruction of signature plates or digitized media being withdrawn from service (i.e., not to be used again). Follow the guidance in Chapter 7, subparagraph [070502.F](#). When the medium has been destroyed, send a copy of the certificate of destruction certifying that the signature has been permanently removed to DFAS-IN/JJFKCB.

4.6.2.8. Transfer custody of the check-signing machine to the incoming DO, if applicable.

4.6.2.9. Verify balances in suspense accounts are properly documented.

4.6.3. Actions by the Incoming DO. The incoming DO ensures that all actions listed in this section are accomplished, documented, and verified before signing for the accountability. The actions listed are to be taken by an incoming DO before reporting to the new disbursing office or activity:

4.6.3.1. Upon commencement to disbursing duty:

4.6.3.1.1. Send original specimen signatures to DFAS-IN/JFKCB on TFS 3023. If signatures have been furnished previously as a DO or DDO, submission of new specimen signatures is not required unless specifically requested or a change of official signature is desired. If the outgoing DO has an LDA with check stock, send specimen signatures to the LDA.

4.6.3.1.2. Contact the disbursing office or activity to determine if a check-signing machine is in use. Obtain all necessary information about the machine (make, model and number of media required).

4.6.3.1.2.1. If the incoming DO has never had a signature medium, provide three official signature specimens in addition to those required by paragraph 4.4, and request the required medium be ordered in enough time to arrive before the actual transfer date.

4.6.3.1.2.2. If a signature medium cannot be received or obtained before the actual date of transfer, the incoming DO may request DFAS-IN/JFKCB authorize the use of the outgoing DO's signature medium until a new one arrives to allow continued efficient operations of the disbursing office. The incoming DO is accountable and pecuniarily liable for payments made on or after the date of the transfer of accountability.

4.6.3.2. Upon commencement of disbursing duty:

4.6.3.2.1. Send a memorandum to DFAS-IN/JFKCB and the DFAS site that receives the DO's financial reports advising them of the commencement of disbursing duty.

4.6.3.2.2. Appoint at least one DDO and send the required copies of the DD 577 and TFS 3023 to DFAS-IN/JFKCB. Appoint agents, cashiers, and other accountable officials as necessary.

4.6.3.2.3. Verify the adequacy of the safekeeping facilities for funds, blank checks, stored value cards, and other accountable documents. If the facilities are inadequate, report the deficiencies to the commander and request that proper facilities be provided (see Chapter 3, section 0303).

4.6.3.2.4. Change all safe combinations including those assigned to other accountable individuals.

4.6.3.2.5. Review cash on hand requirements. If the current cash holding authority is valid, the incoming DO may retain it until the normal resubmission date. Otherwise, the incoming DO submits a new cash holding authority request as soon as possible after assuming the account (see Chapter 3, section 0302).

4.6.3.2.6. Notify all serviced activities, agencies, commercial concerns, and necessary stakeholders of the account holder change.

5.0 DDOs (0205)

5.1 Eligibility (020501)

An officer, enlisted member, or civilian employee acceptable to the DO and who is a U.S. citizen may be appointed as a DDO.

5.2 Appointment (020502)

DOs appoint their DDOs using the DD 577 (see paragraph 3.3).

5.3 Terminations (020503)

A DO may terminate a DDO's appointment at any time by completing Section IV of the appointing DD 577. When a DO is relieved from disbursing duties, he or she revokes the appointments of all DDOs. In all cases, send a copy of the DD 577 to DFAS-IN/JFKCB. If another individual will succeed a DDO, send a copy of the appointing DD 577 and the required original specimen signatures for the new DDO with the copy of the notice of revocation to DFAS-IN/JFKCB. If a DDO appointment is terminated for cause, include the reason for termination when sending the appropriate DD 577 to DFAS-IN/JFKCB.

6.0 CHANGE IN THE STATUS OF DOs OR DDOs (0206)

6.1 Authorized Absence of DOs and DDOs (020601)

During an authorized absence, the DO remains accountable for the account unless or until it is officially transferred. It need not be transferred unless, in the DO's judgment, not doing so would impair proper supervision. The DO must maintain an adequate system of controls to avoid errors and ensure the implementation and effectiveness of those controls. For relief of liability to be considered, the DO must show clearly what the procedures were and how they were implemented during the absence (e.g., records must show that any loss incurred was not the result of bad faith or lack of reasonable care).

6.2 Death, Incapacity, or Removal of a DO (020602)

6.2.1. General. When a DO dies, is incapacitated, or is removed from disbursing duty for cause (including unauthorized absence), a DDO under [10 U.S.C. § 2773](#), may continue to disburse in the name of and under the accounts of the DO through the last day of the second month after the month of death, incapacity, or removal. If there is more than one DDO, the commander, DFAS Director, or designee, as appropriate, designates one DDO to disburse in the DO's name.

6.2.2. Responsibility of the Commander or DFAS Director. The commander, DFAS Director, or designee:

6.2.2.1. Seizes and seals all disbursing spaces, keys, property, and safe(s) to ensure the security of the funds, property, and spaces involved;

6.2.2.2. Appoints a board of at least three disinterested but qualified persons to inventory the vouchers, funds, and property on hand (see subparagraph 6.2.3);

6.2.2.3. Appoints based on the disbursing needs of the activity:

6.2.2.3.1. A custodian of the disbursing office's vouchers, funds, and property (see subparagraph 6.2.4); or

6.2.2.3.2. A qualified person (normally a DDO) to take charge of the DO's vouchers, funds, and property involved and perform as acting DO until a regular relief reports (or is appointed), or until the last day of the second month following the date of death, incapacity, or removal (see subparagraph 6.2.5); and

6.2.2.4. Notifies the supporting DFAS site of all actions taken and provides an information copy to DFAS-IN/JJFKCB.

6.2.3. Responsibility of the Inventory Board. The appointed board, as prescribed in subparagraph 6.2.2.2, inventories all public funds, including advances to deputies, agents and cashiers; vouchers evidencing receipt, transfer, or disbursement of funds; safekeeping deposits; stored value cards, if applicable; and property of the DO in the presence of the immediate custodians and the appointed custodian, acting DO, or incoming DO. In addition, the appointed board must verify the departed DO's accountability balance on the DD 2657 is reconciled with the DO Cash TAS on the daily CARS Account Statement. If there is no documentation supporting the unreconciled items, the incoming DO processes the discrepancies as losses (DoD FMR Volume 5, Chapter 6, section 0604) or overages (DoD FMR Volume 5, Chapter 6, section 0608) of funds.

6.2.3.1. The board verifies all official records to determine that the cash on hand agrees with the records, verifies that all checks and stored value cards issued in the current accounting period have been properly accounted for, and inventories blank checks to determine if any are missing.

6.2.3.2. If the board discovers a shortage or deficiency, the commander takes the actions prescribed for losses of funds or deficiencies in the DO's account as prescribed in Chapter 6, section 0604.

6.2.3.3. All members of the board prepare and certify an original and four copies of the inventory as true and accurate. The board turns over all public funds and property certified on the inventory to the appointed custodian, acting DO, or incoming DO. The incoming DO retains a copy of the inventory report, provides the original to the commander, and a certified/notarized copy to each member of the board.

6.2.4. Responsibility of the Custodian. The custodian, on receipt of the original inventory, assumes custody of the public funds, and property held by the former DO. No transactions other than collections may be conducted. When the incapacitated DO returns, or a new, permanent DO

reports, the custodian and the DO inventory and transfer all vouchers, funds, and property as prescribed in the relief procedures.

6.2.5. Responsibility of the Acting DO.

6.2.5.1. The DDO appointed to serve as the acting DO performs and is accountable for all official duties that would have been required of the DO, to include submitting financial reports for the DO as of the date of death, incapacity, or unauthorized absence. Include only those vouchers actually paid by the former DO in the reports. The DDO submits the reports in the name of the former DO.

6.2.5.2, Include in the reports: information on the date of death, incapacity, or unauthorized absence; and the fact that transactions included were made by the former DO. Include vouchers for which checks have been drawn but not delivered in the first reports covering transactions made by the DDO. Submit subsequent financial reports at the normally prescribed times in the name of the former DO, signed by the DDO, and include an explanation that the reports include only transactions made by the DDO under authority of subparagraph 6.2.5.1 subsequent to the death, incapacity, or unauthorized absence of the former DO. Do not merge the financial reports of transactions performed by an acting DO with those of the officer for whom he or she was appointed, or with those submitted by the regular relief after the disbursing duties are assumed.

6.2.5.3. The DDO signs all checks drawn in the manner normally used when the DDO signs checks. If the volume of checks warrants, the acting DO may use the former DO's signature plates. The acting DO is legally liable and responsible for all payments and official acts subsequent to the death, incapacity, or unauthorized absence of the DO.

6.2.6. Responsibility of the Incoming DO. If the commander appoints an individual as DO to relieve the deceased, incapacitated, or removed DO, the incoming DO is responsible for performing all actions required in subparagraph 6.2.3, and for rendering financial reports in his or her own name.

6.2.7. Administration of the Accounts of a Deceased, Incapacitated, or Removed DO. The commander should strive to protect the rights of a deceased, incapacitated, or removed DO, as well as the custodian, acting DO, or incoming DO so that, for any differences discovered during settlement of the accounts, responsibility may be assigned to the appropriate individual. The acting or incoming DO completes the vouchers, closes the accounts, maintains custody of records, and renders the final reports of the outgoing DO. Further, the individual signs documents prepared in connection with the administration and settlement of the accounts of the outgoing DO as follows:

(Name of Disbursing Officer)

By _____
Acting (appointed per 10 U.S.C. § 2773)

The commander of an exonerated DO restored to duty following arrest, suspension, or other incapacity directs a second inventory to be taken by the restored DO and the custodian, acting DO, or incoming DO. The guidance in subparagraph 4.6.1 regarding the transfer of accountability from an outgoing to an incoming DO applies.

6.2.8. DDO at Branch Disbursing Office. Upon the death, incapacity, unauthorized absence, arrest, or other emergency absence of a DDO at a branch disbursing office, the local commander advises the DO as expeditiously as possible. Depending upon the circumstances, the DO requests the commander of the activity where the branch office is located appoint a board to inventory the vouchers, funds, and property of the DDO and appoint a suitable person to take custody of the vouchers, funds, and property until the DO can take an inventory. If practical, the DO takes an inventory of the vouchers, funds, and property in the presence of a competent witness.

7.0 OTHER AGENTS OF DOs (0207)

7.1 General (020701)

Officers, enlisted members, or civilian employees satisfactory to both the appointing officer and DO may be appointed as agents, (e.g., disbursing agents (DA), cashiers, paying agents, collection agents, change fund custodians, imprest fund cashiers). No agent may be appointed or used over protest of the accountable DO, serve concurrently in any other accountable position, or be charged with the handling or custody of any other funds (see paragraph 3.5).

7.1.1. Include in item 7 of the appointing DD 577 the specific duties, limitations, and the name of the individual being relieved, if any (see paragraph 3.3).

7.1.2. DOs' agents are pecuniarily liable under accountable official laws for losses of public funds in their possession. When appointing agents, appointing authorities should carefully consider appointing non-U.S. citizens as accountable officials. In some instances, foreign nationals and other non-U.S. citizens may be precluded from being held pecuniarily liable for losses of funds (see Chapter 1, subparagraph 010303.D).

7.1.3. From a security standpoint, do not allow an excessive number of individuals access to public funds.

7.1.4. After an individual ceases to serve in an appointed position, the DO maintains appointing documents for a retention period following the guidance in Chapter 15, section 1508. Appointments as agents of DOs are effective only while the DO continues to serve as DO of that disbursing activity.

7.1.5. The appointing officer terminates appointments when appropriate (e.g., when the DO is relieved, when the agent ceases to perform the duties for which appointed, or for cause (see subparagraph 4.6.2.1)), using Section IV of the original appointing DD 577.

7.2 Disbursing Agents (020702)

7.2.1. Duties and Responsibilities. A DA is a DO's agent who is not a DDO. A DA's responsibilities can include all duties, assignments, and functions of a DDO except the authority to sign Treasury checks.

7.2.2. Establishing Positions. The appropriate major command or Defense Agency establishes DA positions in writing.

7.2.3. Appointments. The DO appoints DAs following paragraph 3.3, which includes the appointee's acknowledgement. The DO sends the original copy to the DA, a copy to the office where the duties are performed, and retains a copy on file.

7.3 Cashiers (020703)

7.3.1. Selection Criteria. An officer, enlisted member, or a civilian employee with working knowledge of the cash functions and operations, and acceptable to the DO, may be appointed as a cashier. The DO should also obtain a credit report if access to a credit reporting service is available, charging the associated costs to the Operations and Maintenance funds available to the activity. Safeguard credit reports against unauthorized access.

7.3.2. Duties and Responsibilities. Cashiers disburse, collect, and account for cash; and perform other duties as required concerning the receipt, custody, safeguarding, and preparation of checks. A cashier may prepare DO accountability reports, but the DO, DDO, or DA must personally validate them.

7.3.3. Appointments. The DO appoints cashiers following paragraph 3.3 (020303), which includes the appointee's acknowledgement. The DO sends the original copy to the cashier, a copy to the office where the duties are performed, and retains a copy on file.

7.3.4. Restrictions. A cashier may not:

7.3.4.1. Sign checks;

7.3.4.2. Accept checks drawn (and endorsed to the cashier) in the name of the DO, DDO, or DA to procure and disburse cash for any purpose;

7.3.4.3. Prepare billing documents and accept collections for the same items. This restriction also applies to a DA performing cashier duties;

7.3.4.4. Prepare vouchers that they will later pay; and

7.3.4.5. Prepare vouchers on days when they perform cashier functions.

7.4 Paying Agents (020704)

7.4.1. Appointments. Commanders appoint paying agents only when adequate payment, check cashing, or currency conversion services are not otherwise available (see paragraph 3.3). Appointments are for a specific transaction or time period. Do not appoint paying agents solely as a convenience when a DO, DDO, DA, or cashier can make the required transactions. In unusual situations (e.g., payments or currency conversions must be made at remote locations where use of checks is not feasible), the DO may request a remote location commander appoint a paying agent to make the necessary payments for and in the name of the DO from cash advanced for that purpose.

7.4.2. Restrictions. Paying agents may not act as certifying officers (see Chapter 5, section **0503**) or purchasing officers. Escort officers serving as paying agents for expenses related to official travel may likewise not be purchasing officers. See Chapter 1, subparagraph **010305.B** for guidance on separation of duties and Chapter 5, subparagraph **050301.C** for guidance applicable to micro-purchases in contingency operations.

7.5 Collection Agents (020705)

7.5.1. Establishing Positions. Commanders may establish collection agent positions to receive funds derived from functions such as hospitalization fees and other charges at medical facilities (e.g., communication charges, rentals and other charges at housing developments, fees for research or reproduction of records, safekeeping deposits where the safekeeping function is not performed by the DO, and similar functions when appropriate).

7.5.2. Appointments. The commander appoints collection agents following paragraph 3.3. Unless revoked by the appointing authority, collection agent appointments remain in effect through succeeding appointing authorities.

7.6 Change Fund Custodians (020706)

7.6.1. Duties and Responsibilities. A change fund custodian receives a change fund from the parent DO, safeguards it, is pecuniarily liable for any loss, and makes change for sales transactions. The commander provides a detailed description of duties to be performed.

7.6.2. Establishing Positions. The sales activity commander (e.g., commissary, hospital) establishes the position.

7.6.3. Appointments. The activity commander or designee appoints a change fund custodian following paragraph 3.3 in coordination with the parent DO.

7.7 Imprest Fund Cashiers (020707)

The activity commander appoints an imprest fund cashier following paragraph 3.3 to make authorized cash payments for materials and non-personal services, maintain custody of funds, and file periodic vouchers to account for and replenish the imprest fund. An imprest fund cashier may be an officer, enlisted person, or civilian employee who is not responsible for originating, approving, or processing imprest fund requirements. An imprest fund cashier (or alternate) may not have access to or control of more than one fund. The commander keeps the appointing document and approval for establishment of the imprest fund in a permanent file, and furnishes two copies of these documents to the cashier and one copy each to the DO and installation or activity contracting office (see section 9.0).

7.8 Alternate Agents (020708)

7.8.1. General. When required, one or more alternate agents may be designated to serve only during the absence of an appointed primary agent. Alternate agents for DDOs are not permitted. The official authorized to appoint the primary agent also appoints alternates following paragraph 3.3. When serving in place of the primary agent, the alternate agent is subject to all regulations applicable to the primary. Alternate agents may not merge funds received with those of the primary agent, and must also maintain separate records from those of the primary agent to establish the amount for which each is responsible. Alternate agents may not conduct operations involving the handling of public funds concurrently with the primary.

7.8.2. Alternate Imprest Fund Cashier. Under paragraph 3.3, a commander may appoint an alternate imprest fund cashier to provide service during a principal's absence. Appointment requirements for principal cashiers apply to alternate cashiers. Upon return of the principal, the alternate returns paid receipts, subvouchers, and residual cash to the DO.

7.8.2.1. Planned Absences. In planned absences of the principal cashier and with the appointing official's written authorization, the principal may advance cash to the alternate in any amount up to the limit of the fund, using a DD 1081 for the advance.

7.8.2.2. Unforeseen Absence. In the unforeseen absence of the principal cashier, the DO may advance funds to the alternate in the normal manner; these funds are in addition to the amount advanced to the principal under the established fund, but may not exceed the authorized amount of the fund.

7.9 Death, Incapacity, or Unauthorized Absence of Agents (020709)

In the event of the death, incapacity, or unauthorized absence of an agent, the appropriate commander follows paragraph 6.2 for deputies at branch offices, but appoints relieving agents following procedures applicable to the position involved. In the case of an imprest fund cashier, the relieving imprest fund cashier prepares the final voucher.

8.0 DEACTIVATING OR CLOSING A DSSN (0208)

8.1 Deactivation (020801)

8.1.1. General. To eliminate the necessity of submitting monthly financial and checking account reports during the period of inactivity, the DO deposits all currency, coin, and negotiable instruments; closes the LDA, and if applicable; properly disposes of all undeliverable checks; submits the memorandum required for closure of disbursing offices with additional information that the account is closed temporarily; and retains blank Treasury check stock for use when the disbursing operation is reactivated (see Chapter 7, section 0703 for inventory and storage requirements). A DO preparing an office for closure ensures that the DO's accountability balance on the DD 2657 and the DO Cash TAS in CARS are reconciled (Agency Location Code (ALC) settlement). The DO may reopen that same DSSN at any time by submitting the report of commencement of disbursing operations. Note: A DO may not close a DSSN temporarily if any cash or documents representing cash are on hand. Any assets on hand, including deficiencies such as dishonored checks or losses of funds, require monthly submission of an SF 1219.

8.1.2. Designation of a Settlement Office. The supporting DFAS site designates another disbursing office as the settlement office to handle uncleared transactions for the closed office.

8.1.3. Notification of Deactivation Pending Closure. The DO will:

8.1.3.1. Notify all affected activities, agencies, commercial concerns (including LDAs when applicable), and individuals of the disbursing office deactivation date and the name and location of the settlement office to which all accounts will be transferred;

8.1.3.2. Notify Fiscal Service by memorandum through DFAS-IN/JFKCB that the disbursing office is being deactivated pending closure. State in the memorandum the DSSN, date of deactivation, the office to which the accounts and records have been/will be forwarded for settlement, and the last check number of each check range issued by the DSSN. Also, include the date and check number of the last check signed in each check range by each DDO where separate check series are assigned to DDOs at branch offices. Send a copy of the memorandum to the supporting DFAS site. Once a disbursing office is reported to Fiscal Service as being in a settlement status, it may not be reopened or transferred to another location without Fiscal Service approval. Once the settlement office has met all requirements in section 0208, pertaining to closing the disbursing office, Treasury will close the DSSN permanently;

8.1.3.3. Notify commanders and request termination of appointment for all agents they appointed;

8.1.3.4. Issue terminations of appointments to all DDOs, agents, and cashiers (see paragraph 020306);

8.1.3.5. Notify commanders and request termination of the DO's and agents' authorities to hold cash at personal risk; and

8.1.3.6. Clear all outstanding agent advances (e.g., imprest fund cashier and change fund custodians).

8.2 Deposits (020802)

Deposit all currency, coin, negotiable instruments, and LDA balances to the credit of the Treasury (see Chapter 11, section [1108](#)).

8.3 Deposit Fund Account Balances (020803)

Transfer deposit fund account balances that could not be cleared before deactivation to the designated settlement office. Send a detailed list of the persons owed or funds to be reimbursed with any documents or backup information with the [SF 1081](#), Voucher and Schedule of Withdrawals and Credits, to the settlement office. The SF 1081 is the basis for adjusting the general ledger for the amounts transferred.

8.4 Undeliverable Checks (020804)

Cancel all undeliverable checks and return checks forwarded by other DOs as undeliverable to the forwarding DOs for cancellation (see Chapter 7, section [0710](#)).

8.5 Blank Treasury Check Stock (020805)

Destroy remaining blank check stock and report them on the SF 1179 and Checks Issued Report (Report 72) as “voids” (zero dollar value issues) (see Chapter 7, subparagraph [070904.A](#)).

8.6 Stored Value Cards (020806)

[Stored Value Card](#) stock must be treated like blank check stock (see paragraph 8.5).

8.7 Standard Form (SF) 1219, Statement of Accountability (020807)

Prepare and submit an SF 1219 (marked “FINAL” on the top of the SF 1219 just below the title “Statement of Accountability”) covering the period from the first day of the accounting period through the close of the last business day (see Chapter 15, section [1506](#) and Figure 15-4).

8.8 SF 1179, Month End Check Issue Summary (020808)

Prepare and submit an SF 1179 (marked “FINAL”) covering the period from the first day of the accounting period through the close of the last business day. Include all checks issued during the period as well as the blank check stock destroyed and reported as “voids” (zero dollar value issues) (See Chapter 7, paragraph [071407](#)).

8.9 Equipment (020809)

Notify the supporting DFAS site of the availability of useable office equipment. The supporting DFAS site advises other DOs of the equipment available and facilitates transfers between disbursing offices, if requested. If no other disbursing office needs the equipment, the DO turns over the equipment to the supporting property disposal office. See Chapter 7, subparagraph [070502.F](#) for disposition of signature media.

8.10 Discrepancies (020810)

A DO preparing an office for closure ensures that no discrepancies exist in his or her accountability. The supporting DFAS site reviews all accounts transferred to settlement offices and may order collection action against a relieved DO who submits a disbursing account to a settlement office with unresolved deficiencies in the accountability (e.g., dishonored personal checks, unconfirmed deposits, check issue records and reports, physical losses of funds, and unresolved open debit items in **F3875, **F3880, and **F3885 clearing accounts).

8.11 Closure (020811)

Only the Treasury may close a DSSN. Follow the policies within section 8.0 to pursue closing a disbursing office permanently. Once a disbursing office has been closed, it may be used only for settlement purposes. If the disbursing office is to be reopened, the DO must request and receive approval for reactivation from the Fiscal Service through DFAS-IN/JFKCB. The Fiscal Service also must approve a new check range.

9.0 IMPREST FUNDS (0209)

9.1 Overview (020901)

Imprest funds are generally not authorized for DoD activities. Exceptions are allowed for contingency and classified operations. Submit specific requests for exception in accordance with Chapter 1, paragraph [010103](#). Include adequate justification and demonstrate that the use of a government purchase card, third party draft, purchase card convenience check, government travel card, or other reasonable alternatives are not feasible for the specific situation. Agencies granted the authority to disburse imprest funds must classify imprest fund transactions using established and appropriate TAS/Business Event Type Code ([TAS/BETC](#)). DOs advancing or receiving funds from an imprest fund cashier will treat the transactions similar to advancing other accountable agents. The Shared Accounting Module ([SAM](#)) website provides [Fiscal Service Reference Data](#) for the TAS/BETCs. In lieu of imprest funds, use the government purchase card for micro-purchases of supplies and/or services and the government travel card for travel payments formerly made from the imprest funds. If an imprest fund is authorized, the DO and the imprest fund cashier keep a copy of the signed authorization to establish and maintain the fund. Detailed regulations concerning establishing, using, and accounting for imprest funds, including the responsibilities of designated imprest fund cashiers and alternates are in:

9.1.1. [1 TFM 4A-30170](#);

9.1.2. GAO Policy and Procedures Manual for Guidance of Federal Agencies, [Title 7, Fiscal Guidance, Chapter 6](#); and

9.1.3. The Federal Acquisition Regulation Part 13, [subpart 13.305](#).

9.2 Safeguarding Imprest Funds (020902)

Safeguard cash and disbursement documents at all times (e.g., safes, locked cash drawers) as prescribed in Chapter 3, section [0303](#). The imprest fund cashier should maintain an organizationally and physically convenient location on the installation or activity to make payments to vendors or carriers. Do not commingle imprest funds with other cash funds (e.g., disbursing funds, change funds, or cash receipts for other funds). The imprest fund cashiers must be able to account for the full amount of funds being held at any given time. The responsible imprest fund cashier is accountable to the advancing DO for receipts or subvouchers supporting temporarily unreimbursed expenditures from any imprest fund, together with the cash on hand, in support of the total amount of the fund, and is subject to review by the DO at any time.

10.0 SETTLEMENT OF DO ACCOUNTS (0210)

10.1 Overview (021001)

The responsibility to clear outstanding items in the accounts of a DO relieved from disbursing duty is normally assigned to a designated settlement office (see subparagraph 020801.B). The DO of the designated settlement office (referred to in this section as the settlement officer), follows this guidance to resolve discrepancies in a relieved DO's accountability. All correspondence and vouchers initiated by the settlement officer should show the name and DSSN of the accountable officer, date and number of the voucher or account, and be signed "By (name of settlement officer), Settlement Officer for (name and DSSN of accountable officer)." Normally, the settlement officer is also responsible for other residual disbursing functions, (e.g., issuance of stop payment requests, required records research pursuant to claims against the government, and clearing of all suspense accounts).

10.1.1. Deficiencies. In all instances, the relieved DO is responsible for resolving deficiencies before relief, if possible. If a deficiency exists in the account of a relieved DO and it appears that no action was taken to remove it from the accountability and no relief request is pending, the settlement officer should initiate collection action against the accountable DO.

10.1.2. Non-tactical Disbursing Stations. At non-tactical disbursing stations, settlement duties are normally the responsibility of the relieving DO. When one of these stations is closed, the supporting DFAS site designates another non-tactical disbursing station within the site's area to assume the closed station's disbursing operations and perform the settlement function.

10.1.3. Tactical Disbursing Stations. For naval vessels and tactical units, the servicing DFAS site performs the duties of settlement officer for relieved DOs whether or not the disbursing function of the naval vessel or unit is closed.

10.2 Responsibility of Relieved Officers (021002)

Despite the appointment of a settlement officer, the relieved DO is responsible for accounting for all funds expended while performing disbursing duties. Transfer of disbursing records under the authority of section 0210 only relieves the DO of the paperwork incident to settlement of the account. Accountability for illegal, incorrect, or improper payments that cannot be adjusted despite the diligence of the settlement officer remains with the DO who made the payments. The relieved DO should keep the settlement officer informed of his or her current mailing address at all times. The relieved officer should also answer inquiries related to settlement of outstanding items and furnish any advice or suggestions, which may be of assistance in the prompt and complete clearance thereof.

10.3 Settlement Officer Functions(021003)

The settlement officer is the incumbent DO. Subparagraphs 10.3.1 – 10.3.5 apply only to non-tactical DOs (within and outside the continental United States) performing settlement functions for previous DOs of the same disbursing activity and DSSN to which the DO performing the settlement functions is assigned. In addition to accounting for and taking settlement action on deficiencies which occurred during the incumbency of a former DO that were unresolved on the date of relief, the settlement officer may be required to establish or increase deficiencies in the account of a former DO. Most of the transactions processed to establish, increase, reduce, or remove deficiencies in the account of the former DO will be similar to the routine transactions of a DO and will be reported on the [DD 2657](#), Daily Statement of Accountability, and the SF 1219.

10.3.1. Transactions. The transactions described in the following subparagraphs are the most common types of transactions that will be encountered. On some occasions, the servicing DFAS site may direct accomplishment of specific transactions and will provide detailed instructions for those transactions.

10.3.1.1. Settlement History. In order to have a complete history of the settlement process, the settlement officer will: maintain a record of actions taken to clear deficiencies in separate settlement folders for each former DO; and file copies of all documents and correspondence pertaining to settlement of the former DOs accounts in the settlement folders. The settlement folders should be made available for examination and made available to the next relieving DO as a part of the relief process.

10.3.1.2. Check Overdraft Receivables. Procedures for recording, reporting and clearing a check overdraft deficiency are prescribed in Chapter 7, subparagraph [070804.A](#). The procedures are the same for both current and former DOs except that in the case of a former DO, the current DO (settlement officer) reports the item daily on line 9.2A (Accounts Receivable - Check Overdrafts) of the DD 2657 and monthly on line 9.2 (Receivables - Check Overdrafts) of the SF 1219 until resolved.

10.3.1.3. Losses of Funds. Losses of funds in the account of a former DO that were unresolved on the date of relief are recorded and reported until resolved on line 9.3 (Loss of Funds) on the current DO's (settlement officer's) DD 2657 and SF 1219. Increases in the value of existing losses of funds are generally accomplished only upon the specific direction of the servicing DFAS site. Decreases in the value of existing losses of funds are accomplished by collection (full or partial) of the losses from the accountable individual or by relief of liability for the losses.

10.3.1.4. Other Accountability. Other accountability items are unresolved deficiencies in the account of a former DO which cannot be classified as check issue overdrafts or losses of funds. These items are reported on line 9.4 (Other) of the DD 2657 and the SF 1219 until resolved. The value of other accountability may be increased by the settlement officer. For debit vouchers received by the settlement officer after the date of relief of a DO (which is chargeable to the former DO), the settlement officer processes the debit vouchers, and reports the value of the debit vouchers on line 9.3 of the DD 2657 and SF 1219. For overpayments caused by the negotiation of both the original and recertified check which the settlement officer determines to be uncollectible, follow Chapter 7, paragraph **071113**.

10.3.1.5. Removal of a Deficiency. The settlement officer can request removal of the deficiency on behalf of the former DO. Decreases to the value of other accountability items may be effected by: collection from the responsible individual; replacement of lost checks by their drawers; confirmation of a deposit previously presumed and treated as lost in transit; reversal of a debit voucher by a general depository or the Treasury; correction of an erroneous collection voucher; or relief of liability. The servicing DFAS site can provide specific instructions for removal of an accountability by correction of an erroneous collection voucher. Instructions pertaining to a relief of liability item are provided in Chapter 6, section **0606**.

10.3.1.6. Processing Negotiable Instruments. Enter negotiable instruments received by a settlement officer to offset a deficiency in a former DO's account on the DD 2657 as either an increase to line 4.2A (Deposits Presented or Mailed to Bank) or to line 6.3B (Other Undeposited Instruments on Hand) as a decrease to the applicable receivable (e.g., 9.2A, 9.2B (Accounts Receivable - Other), 9.3, 9.4). Document the instrument received on Optional Form (OF) 1017-G, Journal Voucher, and deposit it under the same guidelines as for other negotiable instruments.

10.3.2. Settlement Officer is Not Incumbent DO. This subparagraph applies only to DOs designated to settle the accounts of DOs of tactical units or naval vessels relieved from disbursing duty and the accounts of former DOs of closed disbursing stations. These settlement officers perform settlement functions for a DSSN other than the one to which assigned as a DO. Transactions processed to establish, increase, reduce, or remove deficiencies in the account of the former DO will be similar to the routine transactions (i.e., Payment Information Repository (PIR), Collections Information Repository (CIR), Classification Transactions and Accountability (CTA) of a DO and will be reported on the daily accountability documents and reconciled with the CARS DO cash account for the settlement ALC.

10.3.2.1. Relieved DO. Any transaction affecting the accountability of a relieved DO, including the initial establishment of the settlement account, requires submission of monthly financial reports by the settlement officer for the relieved DO. The financial reports are submitted to the servicing DFAS site in the same manner as other financial reports.

10.3.2.2. Settlement Folders. In order to have a complete history of the settlement process, the settlement officer will: maintain a record of actions taken to clear deficiencies in separate settlement folders for each former DO; and file copies of all documents and correspondence pertaining to settlement of the former DOs accounts in the settlement folders. The settlement folders should be made available for examination to the next relieving DO as a part of the relief process.

10.3.2.3. Initial Establishment of the Settlement Account. Upon receipt of the final SF 1219 of the relieved DO, the settlement officer reviews it to determine if any deficiencies existed on the date of relief. In the case of a closed disbursing station where the DO is transferred without a relief, the settlement officer establishes the settlement account by preparation of the necessary files to resolve the deficiencies. In the case of naval vessels and tactical units, if there is a deficiency in the account of the relieved DO, the settlement officer establishes the settlement account as of the month following the receipt of the relieved DOs final SF 1219 by preparing a supplemental SF 1219. The designated settlement officer must:

10.3.2.3.1. Compute the actual accountability of the relieving DO on the date of relief by subtracting the amount established in the settlement account from the amount reported on line 11.0 (Total) DO accountability of the relieved DOs final SF 1219.

10.3.2.3.2. Notify the relieving DO of the naval vessel or tactical unit by message that the settlement account is established and direct the DO to record the dollar value of the deficiency on line 4.37 (Transfers to Other DOs) of the next SF 1219. The relieving DO attaches a copy of the message to each copy of the SF 1219 to support the transfer of accountability shown on line 4.37.

10.3.2.3.3. Remove amounts from lines 9.2, 9.3, and 9.4 (as appropriate).

10.3.2.4. Recording Increases to a Settlement Account. After the date of relief, it may become necessary to record a deficiency into the account of a relieved DO. This type of transaction can be caused by: a debit voucher; a Financial Management Service (FMS) 5206, an Advice of Check Issue Discrepancy; a notice of an out-of-balance payroll; or various other discrepancies discovered in subsequent audit of accounts.

10.3.3. Removal of Deficiencies. Removal of deficiencies from the accounts of former DOs can be accomplished by collection from the responsible individual, correction of erroneous documents, or relief of liability.

10.3.3.1. If the deficiency is recovered by collection from the responsible individual, the settlement officer prepares an OF 1017-G to document the collection and deposit the funds on a deposit ticket. Block 3 of the deposit ticket should show the DSSN of the DO whose

account is being settled. Record the deposit transaction on the supplemental SF 1219 prepared for the month in which the transaction is processed.

10.3.3.2. If the deficiency is removed by correction of erroneous documents, the corrected documents are reported on the supplemental SF 1219 prepared for the month in which the transaction is processed.

10.3.3.3. If a deficiency is removed by relief of liability, the Disbursing Policy DFAS/ZPFA-IN team will direct the preparation of an [SF 1034](#), Public Voucher for Purchases and Services Other Than Personal, and will provide a complete fund site to be charged for the transaction.

10.3.4. Preparation of Disbursement and Collection Vouchers. Normally, the preparation and processing of vouchers to settle the accounts of former DOs will not affect the disbursing account of the settlement officer. The settlement officer maintains a separate series of locally assigned voucher numbers (for example, COOO1 for collections and DOOO1 for disbursements) for use in settlement transactions. Collection and disbursement voucher numbers (assigned to vouchers prepared to process settlement transactions) should not be taken from the voucher number logs of the DO at the settlement activity. In addition, the settlement officer does not maintain the DD 2657, for the former DO.

10.3.5. Financial Reports. The settlement officer submits financial reports for a former DO every month until the former DOs accountability is cleared. Normally, the documents required to be submitted are: a supplemental SF 1219; appropriate copies of the deposit ticket or debit voucher if these forms are involved in the transaction; and any supporting disbursement or collection vouchers prepared. The general requirements in Chapter 15, section [1507](#) pertain to preparation and submission of financial reports. In addition to the normal distribution requirements, one additional copy of each document is forwarded to the servicing DFAS site. In all cases, each document should clearly identify the name and DSSN of the former DO and the name and address of the settlement officer preparing the reports. Documents requiring a signature are signed “By (name of settlement officer), settlement officer for (name and DSSN of accountable officer).”

10.4 Settlement Procedures for Naval Vessels (021004)

10.4.1. General. Even though the DO assigned to naval vessels does not perform settlement functions, certain actions are required to be performed to assist the designated settlement officer. The incumbent DO follows the actions prescribed in section 0210 for each of the transactions described which are received after the date of relief and which affect the accountability of the relieved DO.

10.4.2. Debit Voucher. Debit vouchers issued by a general depository or the Treasury for dishonored personal checks, forged Treasury checks, or dual negotiation of both the original and recertified Treasury checks, are not recorded in the current DO’s accountability unless the accounts of the DO who is accountable for the deficiency are subject to the 90-day retention period described in Chapter 15, paragraph [150804](#) or the person who draws the check or endorser of the dishonored

check is locally available for collection action. If neither of the foregoing conditions applies, the current DO forwards the debit voucher and copies of all related documents by email to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account. If follow-up action previously initiated by the relieved officer results in recovery of funds, the relieving officer forwards the funds in the form of an exchange-for-cash Treasury check to the servicing DFAS site.

10.4.3. Unconfirmed Deposits. For unconfirmed deposits that are later confirmed by follow-up action after the date of relief, forward the confirmed copy of the deposit ticket by email to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account for processing.

10.4.4. FMS 5206. If an FMS 5206 is received during the 90-day retention period subsequent to relief, reproduce a copy of the applicable check issue record and disbursement voucher from the relieved DO's retained records and attach to the form. Send the documents by email with a cover letter to the servicing DFAS site with a cover letter indicating that the accountability should be recorded against the previous DOs account for processing. If one is received after the former DO's records have been sent to the DFAS site as prescribed in Chapter 15, subparagraph 150804.B send the document with a cover letter to the servicing DFAS site for processing.

10.4.5. Daily Advice of Status (DAS). Upon receipt of a DAS from the Treasury indicating the original and recertified check issued by the previous DO were both negotiated and previous credit given by the Treasury or the canceled original check is being reversed, the current DO should take the same actions as prescribed in subparagraph 10.4.2 for debit vouchers.

Figure 2-1. TFS 3023, Specimen Signatures

Department of the Treasury
Bureau of the Fiscal Service
Operations Support Branch
Analysis, Reconciliation,
& Reporting Section
Philadelphia, PA 19154

The information requested on the enclosed form is required under the provisions of 31 U.S.C. 82b to identify the accredited official for disbursing operations. Failure to provide the information requested may affect the accreditation of the individual.

The above privacy act notice requirement should be associated with each TFS Form 3023 and/or each TRS Form 5583 upon release. My official signature as it will appear on checks drawn on the United States Treasury is shown in each of the 14 spaces below.

I understand that a legible signature is desirable and that signatures on checks should conform closely to these specimens. I will use a permanent ink of dark-blue, blue-black, or black color. I will furnish new specimen signatures if a change in the form of my signature is to be made, and I will observe all of the provisions of Treasury Fiscal Requirements Manual, Part IV Chapter 5000 in the issue, care, and use of checks.

(Date)

(Signature)

When the sign graph is used, submit additional signatures on blank sheets

Specimen Signatures

Specimen Signatures

TFS FORM 3023 EDITION OF 9-80 is OBSOLETE

DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE