

CASH FORECASTING REQUIREMENTS

This chapter provides special instructions to agencies regarding required reporting of deposit and disbursement information for cash forecasting purposes for large deposits, large disbursements, U.S. Military pay, and daily disbursement reporting by certain agencies.

Section 8510 - Scope and Applicability

This chapter prescribes procedures to be used by Federal Government departments and agencies in providing information to the Department of the Treasury (Treasury) for use in maintaining and updating projections of the Treasury's operating cash balance, i.e., the Federal Government's cash flow.

Section 8515 - Authority

Policies governing the cash management aspects of agency deposits are contained in I TFM 6-8000. Regulations governing large check disbursements are issued under 31 U.S.C. 3511 and 3513.

Section 8520 - Definitions

Account - Appropriation, receipt, and other fund summary accounts established by the Treasury which show transactions to such accounts. These Federal accounts include the following: appropriation, receipt, deposit fund, trust fund, general fund, special fund, revolving fund, foreign currency, credit financing, clearing, and suspense accounts.

Account Symbol - Numeric symbols assigned by Treasury to appropriation and fund accounts. The main account symbol is usually a minimum of six digits, with the first two digits identifying the de-

partment or agency. Account symbols and titles are issued in a Treasury supplement entitled the **Federal Account Symbols and Titles (FAST)** book.

Agency Location Code (ALC) - Refers to a numeric symbol used to identify accounting reports and documents prepared by or for agency accounting stations and regional financial offices. Agency accounting stations use an eight-digit symbol (XXXXXXXX), disbursing offices use a four-digit symbol (0000XXXX), and Treasury Regional Financial Centers use a three-digit symbol (0000XXX).

Appropriation - A statute, under the jurisdiction of the House and Senate Committees on Appropriations, that generally provides authorization for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act, the most common means of providing budget authority, generally follows enactment of authorizing legislation unless the authorizing legislation itself provides the budget authority. When appropriation acts are passed, the legislation is reviewed and account symbols are then assigned. Account symbols are used to track an agency's payments or expenditures against its appropriation.

Automated Clearing House (ACH) - An electronic funds delivery mechanism.

Business day - Official Federal Government workday.

Electronic Funds Transfer (EFT) - Any deposit or payment accomplished electronically, including wire transfers via CASH-LINK and Taxlink, Fedwire, Vendor Express, etc. (Fedline is an EFT delivery mechanism into Fedwire.)

Large Deposits and Disbursements - Deposits and disbursements over 50 million dollars.

Settlement date - The date a transaction clears the Treasury's operating cash account, i.e., the date that the operating cash balance is increased by a deposit or decreased by a disbursement.

Treasury's General Account - The Federal Government's "checking" account at the Federal Reserve Bank of New York, from which agency payments are disbursed.

Treasury's Operating Cash Balance - Operating funds in the Treasury General Account and the Treasury Tax and Loan Accounts.

Treasury's Tax and Loan Accounts - Accounts maintained for the U.S. Treasury at depository institutions throughout the nation.

Treasury Tax and Loan Accounts are Treasury's call accounts, subject to daily call action to maintain Treasury's General Account target balance. The remaining available funds are placed in interest-earning accounts with qualified depositaries.

Two business days minimum notice - Notification to Treasury, no later than 9:30 a.m. eastern time two business days before the deposit or disbursement transaction settlement date. Example: If transaction date is *Thursday*, Treasury must be notified by 9:30 a.m. the preceding *Tuesday*.

Section 8525 - Background and Concepts

These cash forecasting procedures instruct agencies to report, in advance, to Treasury, transactions that will significantly affect Treasury's General Account and Treasury's Tax and Loan Accounts.

One of the primary responsibilities of the Treasury is to forecast and monitor the Federal Government's overall cash requirements. Treasury maintains a forecast of agencies' daily cash requirements for up to nine months ahead, which is used to determine the amount and timing of the following: Federal Government borrowing, investments of excess cash balances, and requests to Congress for increases in the debt subject to limit.

Treasury prepares and continually updates cash flow projections based upon information provided quarterly by agency budget offices in accordance with Office of Management and Budget Circular No. A-34, Part V, Section 51 Monitoring Federal Outlays (December 1995). A-34 reports provide estimates of total monthly spending for various programs, including individual accounts. A-34 reports

also include information regarding large (i.e., \$50 million or more) transactions. However, the amount and timing of large transactions may change significantly after the A-34 forecast has been provided. In addition, between A-34 submissions, emergency spending may be authorized and appropriated, or new types of collections might arise.

Government agency reporting of cash forecasting information is critical for the maintenance of accurate, up-to-date cash flow projections, and for the daily management of Treasury's operating cash balances. Failure to notify Treasury of significant disbursement activity can cause Treasury's General Account to lack sufficient funds to cover agency payments. Failure to notify Treasury of significant deposit activity can cause inefficient investment of Treasury's Tax and Loan Account balances.

Likewise, cash forecasting procedures for reporting U.S. Military pay transactions and Defense Department payments to vendors are essential to the effective and efficient management of Treasury's operating cash balances. Procedures outlined here will standardize the information being provided by the Defense Finance and Accounting Service (DFAS) centers and other Defense installations.

Section 8530 - General Reporting Requirements

Required information regarding large deposits, large disbursements, U.S. Military pay, Defense Department payments to vendors, and other transactions **must** be reported to FMS in advance of the transaction settlement date via facsimile or telephone. See Contacts Page for current facsimile and phone numbers.

If specific deposit or disbursement information is not final, advise FMS of the approximate amount(s) and the approximate deposit or disbursement date(s). Daily updates **must** be provided by 9:30 a.m. eastern time until the deposit or disbursement has occurred.

The cash forecasting requirements in this chapter apply to all Federal appropriation, receipt, and fund accounts; both budgetary and off-budget, including deposit fund, trust fund, general fund, special fund, revolving fund, foreign currency, credit financing, clearing, and suspense accounts.

Advance information regarding payment or deposit transactions provided to Treasury by agency sources is administratively restricted and NOT FOR PUBLIC RELEASE prior to the transaction settlement date. Its use is restricted to a limited number of individuals involved in deficit, cash, and debt management.

Section 8535 - Specific Reporting Requirements

In addition to the general reporting requirements in Section 8530, the following paragraphs describe the specific reporting requirements for large deposits, large disbursements, U.S. Military pay (EFT), daily disbursement reporting, Defense Department Vendor Payments (EFT), and other reporting for cash forecasting.

8535.10 - Large Deposits

Agency financial officers must report in advance all deposits totaling \$50 million or more in a single transaction or in multiple transactions of a common nature. Appendix 1 lists examples of agency deposits for which advance notification must be provided.

Large deposits must be reported in advance of the transaction settlement date. A minimum of two business days notice is required for deposits totaling \$50 million or more. If a deposit of \$500 million or more is anticipated, a minimum of five business days notice is required. When specific deposit information has not been finalized, inform FMS daily (by 9:30 a.m. eastern time) of approximate amount(s) and approximate deposit date(s).

Report the following to FMS:

- Name and address of the agency, department, bureau, or administration.
- Name and telephone number of contact.
- Agency location code (ALC) or Defense station symbol number (DSSN).
- Account title and account symbol number.
- Description of the transaction.
- Transaction settlement date.
- Amount of the deposit.
- Deposit mechanism (wire transfer or check).
- Name and location of the depository.

The form in Appendix 2 includes all required information fields. See Contacts Page for current facsimile and phone numbers.

8535.20 - Large Disbursements

Agency financial officers, Treasury Regional Financial Centers, non-Treasury disbursing offices, and agencies with delegation of disbursing authority must report in advance all disbursements totaling \$50 million or more. These include single transactions, multiple transactions of a common nature, and repetitive transactions. Appendix 1 includes a list of examples of agency disbursements for which advance notification is required.

This advance reporting requirement applies to Treasury Regional Financial Centers unless notified otherwise.

Large disbursements must be reported in advance of the transaction settlement date. A minimum of two business days notice is required for disbursements totaling \$50 million or more. If a disbursement of over \$500 million is anticipated, a minimum of five business days is required. When specific disbursement information has not been finalized, inform FMS daily (by 9:30 a.m. eastern time) of approximate amount(s) and approximate deposit date(s).

Some financial officers may not presently be informed in advance of upcoming disbursements. If this is the case in your agency, it is required that a formal system of notification be established within your agency to ensure that the necessary forecasting information is provided to Treasury.

Report the following to FMS:

- Name and address of the agency, department, bureau, or administration.
- Name and telephone number of contact.
- Agency location code (ALC) or Defense station symbol number (DSSN).
- Account title and account symbol number.
- Description of transaction.
- Transaction settlement date.
- Amount of the disbursement.
- Payment mechanism (wire transfer or check).
- Check number for check payments.
- Payee name and address.

The form in Appendix 2 includes all required information fields. See

Contacts Page for current facsimile and phone numbers.

8535.30 - U.S. Military Electronic Funds Transfer (EFT) Payroll

Defense Finance and Accounting Service (DFAS) center financial officers must report in advance all U.S. Military pay and all U.S. Military Retiree pay made by EFT for the required payroll reporting periods. Pay totals should be reported as far in advance of the pay date as possible; a minimum of two business days advance notice is required.

U.S. Military pay includes the following pay classifications: active duty pay, reserve pay, cadet pay, active salary allotments, active blanket pay, and voluntary separation incentives. These payments usually occur on the 1st and the 15th calendar days of each month. If the 1st or 15th fall on a weekend or a holiday, the payment will be made on the prior workday. The sample form in Appendix 3 includes all required information fields. See Contacts Page for current facsimile and phone numbers.

U.S. Military Retiree pay includes the following pay classifications: retired pay, retired allotments, retired annuities, and retired blanket pay. These payments usually occur on the 1st calendar day of the month. If the 1st falls on a weekend or a holiday, the payment will be made on the next workday. The form in Appendix 4 includes all required information fields. See Contacts Page for current facsimile and phone numbers.

Report the following to FMS:

- Defense Finance and Accounting Service center location.
- Defense station symbol number (DSSN).

- Name and telephone number of contact.
- Name of Federal Reserve bank location where pay files are transmitted.
- Name of U.S. Military branch.
- Military pay classification.
- Pay date.
- Pay amount for each classification.
- Total pay amount.

8535.40 - Daily Disbursement Reporting

A number of agencies are now consolidating individual transactions and making multiple payments on a daily basis. While an individual item in a payment file may not be significant, the daily total for the agency's spending may have a substantial impact on Treasury's operating cash balance.

In general, agencies for which Treasury disburses are not required to provide notification regarding multiple disbursements. Treasury Regional Financial Centers making the payments provide daily summary reports which detail the agency location codes and dollar amounts paid. This information is used by FMS for both forecasting and reporting of individual agency activity.

Agencies which have been granted their own disbursing

authority may be required to provide advance notification of payments. Treasury determines which agencies are required to report, based upon the dollar amount and/or volatility of daily transactions for the agency. If reporting is required, Treasury will contact the agency, and reporting procedures will be established.

8535.41 - Defense Department Electronic Funds Transfer (EFT) Vendor Payments

All Defense Finance and Accounting Service (DFAS) centers and other Defense installations which make EFT payments to vendors are required to report **daily** the following information to FMS:

- DFAS center or other Defense location.
- Defense station symbol number (DSSN).
- Name and telephone number of primary and alternate contact.
- Federal Reserve bank location of transmitted payment files.
- Date payment files are transmitted.
- Effective date of payment (transaction settlement date).
- Total dollar amount of the EFT file transmitted.

See Contacts Page for current facsimile and phone numbers. Un-

less otherwise specified, Defense installations use the form (Advance Reporting of Defense Department Payments to Vendors) in Appendix 5. When there are circumstances unique to a DFAS Center, Treasury will work with the center to design a reporting form that addresses those circumstances.

8535.50 - Other Reporting for Cash Forecasting

Treasury may request from certain agencies routine monthly, weekly, or daily reporting of estimated deposit and disbursement activity. An agency may be required to provide a rolling forecast covering, for example, (1) daily estimates for three business days or (2) estimated weekly totals of deposits and disbursements for a six-week period.

The need for such reporting is generally determined by the magnitude of dollar amounts and the volatility of timing for such activity. In such cases, Treasury works with both agency budget and financial office personnel to set up reporting schedules and forms that will achieve Treasury's information requirements within the framework of the agency's information systems and staffing.

CONTACTS

To report cash forecasting information to FMS Funds Control Branch use the facsimile and telephone numbers below:

Fax Number: 202-874-9945 or 202-874-9984

Telephone Number: 202-874-9790

Inquiries concerning this chapter should be directed to:

**Funds Control Branch
Funds Management Division
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room 6D10
Hyattsville, Maryland 20782
Telephone 202-874-9790**

To request forms described in this chapter contact:

**Property and Supply Section
Facilities Management Division
Financial Management Service
Department of Treasury
Ardmore East Business Center
3351-L 75th Avenue
Landover, MD 20875
Fax: 301-344-8583
Telephone: 301-344-8577**

BLANK PAGE

APPENDICES LISTING

App. No.	Form	Title
1		Examples of Large Deposits and Payments to be Reported to FMS' Funds Control Branch
2	FMS-187	Advance Notice of Large Deposits or Payments of \$50 Million or More
3	FMS-188	Advance Reporting of U.S. Military Pay
4	FMS-190	Advance Reporting of U.S. Military Retiree Pay
5	FMS-189	Advance Reporting of Defense Department Payments to Vendors

PDF Version does not include FMS Forms

BLANK PAGE

**EXAMPLES OF LARGE DEPOSITS AND PAYMENTS TO BE
REPORTED TO FMS' FUNDS CONTROL BRANCH**

Examples of Large Deposits

Department/ Govt Branch	Agency	Sample
Legislative	Library of Congress	Copyright royalty fees
Judiciary	U.S. Courts	Fines
Executive	Defense Security Assistance Agency	Foreign Military Sales receipts
Agriculture	Farm Service Agency: Federal Crop Insurance Corporation Fund	Premium collections
	Commodity Credit Corporation	Price support loan repayments Export Guarantee loan collections
	Rural Utilities Service	Loan collections
Justice	Asset Forfeiture Fund	Collections
	Court Registry Investment System	Collections
	Crime Victims Fund	Collections
Energy		Alleged Violators of Regulations - Escrow deposits
Labor	Pension Benefit Guaranty Corp.	Premium collections
Transportation	Maritime Administration	Deposits to Federal Ship Financing Escrow Fund
Treasury	Comptroller of the Currency	Assessment collections
	Office of Thrift Supervision	Assessment collections
	Financial Management Service	Lend Lease Agreement repayments
Independent	Federal Communications Commission	Spectrum rights auction Agencies proceeds
	National Credit Union Administration	Deposits and premium assessments
	Nuclear Regulatory Commission	License fees
	Securities and Exchange Commission	Stock exchange fees
	U.S. Enrichment Corp.	Sale collections

Examples of Large Disbursements

Department/ Govt Branch	Agency	Sample
Legislative	Library of Congress	Distribution of copyright royalty fees
Executive	Defense Security Assistance Agency	Foreign Military Financing disbursements
	Agency for International Development	Economic Support Fund payments
Agriculture	Farm Service Agency: Conservation Programs	Conservation reserve payments
	Commodity Credit Corporation	Deficiency and other price support payments Export Guarantee loan disbursements
	Rural Utilities Service	Loan disbursements
	Forest Service	Payments to States
Energy		Alleged Violators of Regulations - Escrow disbursements
Health and Human Services		Disbursements of funds collected under the Federal Tax Refund Offset Program
Interior	Bureau of Land Management	Oregon and California grant lands payments Payments in lieu of taxes
	Minerals Management Service	Royalty distributions to States
	Territorial and International Affairs	Compact of Free Association payments Payments to Territories
State		Contributions to the United Nations and other international organizations and conferences
Transportation	Federal Railroad Administration	Payments to National Railroad Passenger Corp. (AMTRAK)
	Federal Transit Administration	Grant payments
	Maritime Administration	Payments
Treasury	Presidential Election Campaign Fund	Disbursements
	Financial Management Service	Payments to the Resolution Funding Corp. Claims, judgements, and relief act payments
Independent Agencies	Federal Emergency Management Agency	Disaster relief payments
	Corporation for Public Broadcasting	Payment to the Corporation for Public Broadcasting