

November 2004

Federal Agency Guidance for Classifying Payments

The majority of payments disbursed by the Financial Management Service (FMS) fall into four main categories (excluding tax refund payments): 1) **Salary**, 2) **Benefit/Retirement**, 3) **Vendor** and 4) **Miscellaneous**. (Tax refund payments are not addressed in this guidance.) This document has been updated to define each of the four payment categories mentioned above and will assist Federal agencies with classifying, coding and formatting their payments correctly. Consequently, FMS' statistical reports will reflect a more accurate picture of vendor and miscellaneous Electronic Funds Transfer (EFT) payment volumes and percentages.

Salary Payments - Salary payments include fixed compensation paid regularly to employees of the Federal agencies for services, including wages paid on an hourly basis to employees. Also included in this category are awards or settlements paid to employees in excess of the fixed compensation amount. Any apportionment, allocation, or assignment of employees' salaries or wages should be classified as salary payments even though the allotment may be paid to an outside entity on behalf of the Federal employee. Examples of employee payroll allotments include:

- *Child support payments to individuals*
- *Insurance payments*
- *Savings allotments*

To assist agencies further with classifying and coding EFT payments (File ID and Agency ID fields in the Header Control Record), use the following code when classifying salary payments:

PPD+ Payment Format - Prearranged Payment and Deposit

"SALARY" – Salary

Computer Program Specification Series (CPSS) – 8.90.17.4

To assist agencies further with classifying and coding Check payments, use the following format:

SALARY AGENCY CHECK FILE

**Computer Program Specifications Series (CPSS) – 7.90.3.0, 7.90.4.1, 7.90.4.2,
7.90.5.1 - 7.90.5.5, & 7.90.7.0**

Benefit/Retirement Payments - These payments are made to individuals eligible for financial assistance, supplemental income, civil service and/or military retirement payments. These payments are usually long term and recurring. They are subject to reclamation in accordance with individual Federal program agencies' regulations regarding "time of death" of beneficiary during a specific eligibility period. Examples of benefit payments include:

- *Civil Service and Military Retirement*
- *Social Security Benefits*
- *Supplemental Security Income*
- *Miners' Benefits/Black Lung*
- *Longshoreman's Disability*
- *Veterans' Compensation and Pension Benefits*
- *Unemployment Insurance/Worker's Compensation*
- *Railroad Retirement, Unemployment and Sickness Insurance*
- *Annuities*

To assist agencies further with classifying and coding EFT payments (File ID and Agency ID fields in the Header Control Record), use the following code when classifying benefit payments:

PPD+ Payment Format - Prearranged Payment and Deposit

“MISPPD” – Benefit/Miscellaneous

“ANNUIT” – Annuity

Computer Program Specification Series (CPSS) – 8.90.17.4

To assist agencies further with classifying and coding Check payments, use the following format:

Vendor/Misc. Check Payment File

**Computer Program Specifications Series (CPSS) – 19.90.2.1 – 19.90.2.5, &
19.90.3.1 – 19.90.3.4**

Vendor Payments – These payments involve the electronic transfer of funds and payment-related information used by the Federal government for payments to businesses that provide goods and services to Federal agencies and other payment recipients, such as educational institutions. These payments are made to contractors, businesses and/or utility companies for goods or services. Generally, the Federal agency will execute a purchase order or contract and the vendor will provide a bill or invoice against the purchase order or contract for goods or services rendered. Examples of vendor payments include:

- *Administrative contracts*
- *Training programs*
- *Leases*
- *Space and building rental services*
- *Equipment*
- *Contractors*

To assist agencies further with classifying and coding EFT payments (File ID and Agency ID fields in the Header Control Record), use the following code when classifying vendor payments:

CCD+ Payment Format - Cash Concentration Disbursement

“VENMIS” – Vendor/Miscellaneous

“MISCCD” – Vendor/Miscellaneous

Computer Program Specification Series (CPSS) – 8.90.17.4

To assist agencies further with classifying and coding Check payments, use the following format:

Vendor/Misc. Check Payment File

**Computer Program Specifications Series (CPSS) – 19.90.2.1 – 19.90.2.5, &
19.90.3.1 – 19.90.3.4**

Miscellaneous Payments - The miscellaneous payments are made for various Federal program-related expenditures, including interagency transfers, loans, grants, medical, emergency, and other administrative obligations. Examples of miscellaneous payments include:

- *Official government travel*
- *Federal direct loan programs and loan guarantee programs*
- *Federal disaster related payments*
- *Education payments*
- *Medical payments (Medicare, Medicaid, FECA)*
- *Federal Grants*
- *Trust Funds*
- *Rent supplement programs or homeownership assistance*
- *Law enforcement and military actions*
- *Environmental and land reclamations*
- *Child nutrition and food stamp programs*

- *Child support payments to state disbursement entities*
- *Federal securities' principal and interest*
- *State and local government payments*
- *Income and other taxes*

To assist agencies further with classifying and coding EFT payments (File ID and Agency ID fields in the Header Control Record), use the following codes when classifying miscellaneous (including travel) payments:

PPD+ Payment Format - Prearranged Payment and Deposit

“MISPPD” - Benefit/Miscellaneous

“TRAVEL” - Travel

or

CCD+ Payment Format - Cash Concentration Disbursement

“VENMIS” – Vendor/Miscellaneous

“MISCCD” – Vendor/Miscellaneous

Computer Program Specification Series (CPSS) – 8.90.17.4

To assist agencies further with classifying and coding Check payments, use the following format:

Vendor/Misc. Check Payment File

**Computer Program Specifications Series (CPSS) – 19.90.2.1 – 19.90.2.5, &
19.90.3.1 – 19.90.3.4**

If you have any questions regarding this Federal Agency Guidance or general agency questions, please contact your FMS Agency Representative listed at the following Web site: www.fms.treas.gov/eft/liaison.html.

If you have any specific questions regarding classifying, coding or formatting your payment records or files, please contact Betty Harvey at (202) 874-6798 or *via email at:* betty.harvey@fms.treas.gov.

NOTE: See agency formats at: www.fms.treas.gov/bulktransfers/index.html for details on coding your *EFT and check payment* files. For EFT payments refer to CPSS 8.90.17.4 footnotes 2 and 3 for valid File ID, Agency ID, and Line Code combinations. Refer to CPSS 8.90.17.5 and 8.90.17.6 footnote 3 for valid EFT line codes. For Vendor Checks refer to CPSS 19.90.2.1-5 footnote 8 for valid Type of Payment Indicator (TIN) codes.