



Treasury Financial Manual

A-2003-02

March 2003

ANNOUNCEMENT

Subject: Revised I TFM 2-3400, Accounting for and Reporting on Cash and Investments Held Outside of the U.S. Treasury

This announcement informs agencies that I TFM 2-3400 has been amended. The revisions clarify instructions on establishing opening balances of cash and investments held outside of the U.S. Treasury and the reporting of interest, dividends, gains, and losses.

In subsection 3435.30 and Appendix 1: Subclass 45, *Offset of Non-Budgetary Funds and Investments*, has been eliminated.

In Appendix 2, the following Accounting Events have been modified:

Accounting Event	Revision
(1) – (20)	<p>1. Modified Non-Budgetary accounting events as follows:</p> <ul style="list-style-type: none"> Increases to the balances of cash and investments are reported as debits in column three of the FMS 224/1220. Decreases to the balances of cash and investments are reported as credits in column three of the FMS 224/1220. <p>2. Eliminated Subclass 45, <i>Offset of Non-Budgetary Funds and Investments</i>.</p>
(5) – (7) and (11) – (13)	Modified Budgetary accounting events to record transactions effecting Subclass 44, <i>Offset of Change in Non-Federal Securities (Market Value)</i> .
(1)	<p>Revised the Note to read:</p> <p><i>Note: Treasury Account Symbol (TAS) ##X6### indicates that a deposit fund must be used, unless otherwise directed by Treasury and OMB. Consult I TFM 2-1500 for more information on deposit funds.</i></p>
(2)	<p>Added the following Note:</p> <p><i>Note: If an agency can identify cash being held outside of the U.S. Treasury to a specific prior period, it uses this entry to establish opening balances. Use a paper form FMS 224/1219/1220, dated for that prior period, to report this information and fax it to 202-874-9966. If an agency cannot identify cash amounts to a specific prior period, it should contact the Department of the Treasury's Cash Accounting Division (202-874-9810) for instructions on establishing opening balances.</i></p>

Accounting Event	Revision
(6)	Added the following Note: <i>Note: If an agency can identify investments being held outside of the U.S. Treasury to a specific prior period, it uses this entry to establish opening balances. Use a paper form FMS 224/1219/1220, dated for that prior period, to report this information and fax it to 202-874-9966. If an agency cannot identify investments to a specific prior period, it should contact the Department of the Treasury's Cash Accounting Division (202-874-9810) for instructions on establishing opening balances.</i>
(9)	Revised the Note to read: <i>Note: For budgetary entries, contact the Budget Reports Division at 202-874-9880 to request a point designation for use with the TAS to capture interest and dividends.</i>
(11)	Added the following Reminder: <i>Reminder: Reverse any reported unrealized gains or losses when the security is sold.</i>
(12)	Revised the Note to read: <i>Note: For budgetary entries, contact the Budget Reports Division at 202-874-9880 to request a point designation for use with the TAS to capture gains.</i>
(13)	Revised the Note to read: <i>Note: For budgetary entries, contact the Budget Reports Division at 202-874-9880 to request a point designation for use with the TAS to capture losses.</i>

Users may access, or download, revised I TFM 2-3400 and appendices, issued under Transmittal Letter No. 608 and dated September 26, 2002, at the following Web site: <http://www.fms.treas.gov/tfm/vol1/tl.html>. To receive e-mail notification of future TFM updates, users may subscribe to FMS' free e-mail notification service located on the FMS homepage at <http://www.fms.treas.gov>.

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