



Treasury Financial Manual

Bulletin No. 2007-07

Volume I

Retention: September 30, 2008

To: Heads of Government Departments, Agencies, and Others Concerned

Subject: Suspense “F” Account Discontinuance and Waiver Policy

1. Purpose

This Treasury Financial Manual (TFM) bulletin informs agencies of the discontinuance of the following suspense accounts:

- F3875—Budget Clearing Account—Suspense (F3875);

AND

- F3885—Undistributed Intragovernmental Payments (F3885).

It also provides guidance for submitting written waiver requests.

2. Background

The Financial Management Service (FMS) established clearing (suspense) accounts to temporarily hold unidentifiable general, revolving, special, or trust fund collections that belong to the Federal Government. The funds remain in the suspense accounts until agencies can classify them to the proper receipt or expenditure accounts. This process, however, leads to a delay in accurately reporting the collections in the proper accounts. In an effort to have more accurate financial information on a more timely basis, FMS has decided to discontinue the use of certain suspense accounts and to require agencies to classify the collections to the proper receipt or expenditure accounts at the time the collections are made.

The future plan for Governmentwide accounting, through the Governmentwide Accounting and Reporting Modernization Project, is to capture program-level spending or collections on a real-time or near real-time basis. In order to accomplish this, agencies must classify transactions to the proper Treasury Account Symbol (TAS) at the time the transaction is executed or the point of origin (for example, when the collections are made).

Over the past several months, FMS, in collaboration with the Office of Management and Budget (OMB), has been working with Federal Program Agencies to analyze the use of F3875 and F3885 suspense accounts. The results of that analysis are set forth in this new policy for using suspense accounts.

3. Authority

According to 31 U.S.C. 3513, the Secretary of the Treasury must prepare reports on the financial operations of the U.S. Government. In addition, the head of each executive agency must furnish accurate reports and information on the financial condition and operations of the agency, if requested by the Secretary of the Treasury.

4. Accounting and Reporting Requirements

Effective July 31, 2008, FMS will discontinue the use of F3875 and F3885 suspense accounts for those accounts not approved through the waiver process outlined below. From August 1, 2008, through February 28, 2009, agencies may use discontinued F3875 and F3885 suspense accounts only to reclassify transactions that were recorded prior to August 1, 2008.

Effective February 28, 2009, all discontinued F3875 and F3885 suspense accounts must have a zero balance. All agencies must correctly reclassify the entire balance in each discontinued F3875 and F3885 suspense account. If an agency cannot correctly classify the entire balance, it should take the following action:

- For a positive balance, reallocate the entire balance to miscellaneous receipt account XX-3220 on the Statement of Transactions. Agencies should use their 2-digit agency identifier code.
- For a negative balance, contact FMS and the agency's OMB Examiner for further instructions. Negative balances in suspense accounts may indicate potential Anti-Deficiency Act (ADA) violations and the appropriate steps will need to be taken. Potential next steps may include an investigation by the Office of the Inspector General or Independent Public Accountant as to whether an ADA violation has actually occurred. OMB and Treasury will handle each ADA violation on a case-by-case basis.

Note: Under no circumstances should an agency make payments from the F3875 suspense account.

5. Waiver

Reporting agencies that have justifiable business needs for keeping a suspense account may submit a waiver to OMB and FMS to request the continued use of the F3875 and/or F3885 suspense accounts for specific business purposes. Agencies must submit a written waiver request to OMB and FMS (see paragraph 9) by January 31, 2008. The waiver request must:

- Be submitted by the Chief Financial Officer (CFO), or CFO designee, at the department level for only the bureaus that have a justifiable business need. Therefore, the CFO should not submit a global waiver request for all existing suspense accounts within the department.
- Clearly state the specific business purposes for which the waiver is requested. The suspense accounts can only be used for the specific purposes listed in the waiver.
- Provide a documented history of the past 6 months that demonstrates reclassification of accounts within 60 business days, with noted explanations of exceptions. Additionally, provide the amounts that were deposited into the F3875 and F3885 suspense accounts for the past year. Certify that the balances in the suspense accounts for the preceding yearend were no more than 60 days old, with clear explanations of exceptions.

- State that the CFO agrees to annually certify the ages of the balances in the subject suspense accounts are no more than 60 days old, with clear explanations of exceptions.
- Provide an e-mail address and contact information for the person who will be submitting the electronic certification referenced above.

OMB and FMS will determine approval of the waiver request based on the information provided by the agency, including the agreement to reclassify transactions/amounts to the proper TAS within 60 business days of the transaction. FMS will e-mail an acknowledgement of the receipt of the waiver request. If agencies do not hear back from OMB and FMS within 90 days, agencies can consider the waiver approved. At their discretion, OMB and FMS can grant the waiver for some suspense accounts and/or business purposes listed in a waiver request, while denying it for others. Waiver requests may be reconsidered by OMB and FMS at any time. Waivers will not be granted for any agency that intends to use the F3875 suspense account in Intra-governmental Payment and Collection (IPAC) System. Only TASs that are valid and appropriate for use in IPAC will be accepted. A list of the valid TASs/Business Event Type Codes (BETCs) for IPAC can be found at <http://www.fms.treas.gov/gwa>.

Agency CFOs (or the CFOs' designees) must certify the balances in the continued F3875 and F3885 suspense accounts to FMS annually, at yearend. FMS's Yearend Closing bulletin, issued around July, will provide more information on submitting the certifications for the suspense accounts. Waivers will automatically expire if certifications are not provided according to the instructions in the Yearend Closing bulletin. Agencies' use of the continued suspense accounts will be reviewed on a regular basis.

The F3875 and F3885 suspense accounts that have approved waivers will be available for continued use on August 1, 2008.

6. Date Summary

Pertinent effective dates for F3875 and F3885 suspense accounts are as follows:

Effective Date	Event
January 31, 2008	Agencies must submit a written waiver request to OMB and FMS.
July 31, 2008	FMS will discontinue the use of F3875 and F3885 suspense accounts.
August 1, 2008	Approved F3875 and F3885 suspense accounts will remain available.
February 28, 2009	All F3875 and F3885 suspense accounts must have balances no more than 60 days old for agencies with approved waivers. All other agencies must have a zero balance in the F3875 and F3885 suspense accounts.

Note: Agencies are encouraged to submit waiver requests and to work with their trading partners early, in order to implement the policy well in advance of the effective dates.

7. TFM References

The following TFM bulletins provide additional guidance to agencies on using "F" accounts and limiting the use of "F" accounts:

- Volume I, Bulletin No. 2006-09: Intra-governmental Payment and Collection (IPAC) System – Treasury Account Symbol (TAS)/Business Event Type Code (BETC) Reporting;
- Volume I, Bulletin No. 2007-03: Intragovernmental Business Rules;

AND

- Volume I, Bulletin No. 2007-06: Intra-governmental Payment and Collection (IPAC) System – Treasury Account Symbol (TAS)/Business Event Type Code (BETC) Reporting.

8. Effective Date

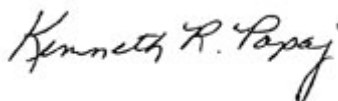
This bulletin is effective immediately.

9. Inquiries and Waiver Request Submissions

Direct questions concerning this bulletin and written waiver requests to the contacts below (e-mail or fax is preferred over a mailed request):

Budget Reports Division
Financial and Budget Reports Directorate
Governmentwide Accounting
Financial Management Service
Department of the Treasury
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Budget Concepts Branch
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Date: June 20, 2007

Kenneth R. Papaj
Commissioner