

4 FAH-2 H-300 PROCESSING DEPOSITS AND DEBIT VOUCHERS

4 FAH-2 H-310 PROCESSING DEPOSITS AND DEBIT VOUCHERS

*(CT:DOH-27; 06-22-2012)
(Office of Origin: RM/FPRA/FP)*

4 FAH-2 H-311 INTRODUCTION

(TL:DOH-1; 06-13-2001)

This subchapter prescribes the procedures for processing deposits to the account of the U.S. Treasury and other related matters.

4 FAH-2 H-312 DEPOSITS OF U.S. DOLLAR CHECKS

(CT:DOH-19; 10-19-2005)

The guidance in 4 FAH-2 H-312 applies to U.S. dollar checks that are not processed at post through Paper Check Conversion (PCC). Procedures for PCC are contained in 4 FAH-2 H-316.

4 FAH-2 H-312.1 Review of Checks Received at RM/GFS Charleston and Bangkok

(CT:DOH-19; 10-19-2005)

- a. The Office of the Deputy Assistant Secretary for Global Financial Services (RM/GFS) Charleston and Bangkok receive checks from the post cashiers with a transmittal form and an adding machine tape to assist in verification of the deposit. The checks must be properly controlled from the time of receipt at RM/GFS Charleston or RM/GFS Bangkok to the time of deposit at the bank. The U.S. disbursing officer (USDO) ensures that

when checks are delivered to RM/GFS Charleston or RM/GFS Bangkok, they are recorded in a log and signed by the person receiving the checks.

- b. All checks are examined by USDOs to ensure that the following criteria are met. Checks that do not meet the following criteria are returned to the post for corrective action:
 - (1) Not stale dated;
 - (2) Written in U.S. dollars;
 - (3) Written in English;
 - (4) Signed;
 - (5) Encoded with the American Banker's Association routing and transmittal number (for checks on banks located in the U.S. only); and
 - (6) Stamped with the cashier's endorsement.
- c. Checks processed by RM/GFS using the Paper Check Conversion (PCC) are stamped void and maintained at RM/GFS for one month and then destroyed.

4 FAH-2 H-312.2 Control of Deposit Tickets (Form SF-215)

(CT:DOH-19; 10-19-2005)

- a. Deposit tickets must be distributed by the USDO or his or her designee. For posts that make their own deposits into an international Treasury general account (ITGA), deposit tickets are distributed to them by the USDO and recorded as having been issued to that post.
- b. Blocks 2, 3, 4, and 5 and memorandum copy of the deposit ticket must be typed or printed clearly. The unique six digit preprinted number must not be altered and must be entered only once in the financial management system exactly as printed.
- c. After a deposit is entered into the financial management system, any future adjustments must be made by another deposit ticket (increasing the amount of the original deposit), debit voucher (decreasing the amount of the original deposit), or journal voucher (change of any other data affecting the deposit).

4 FAH-2 H-312.3 Making U.S. Dollar Deposits

(CT:DOH-19; 10-19-2005)

- a. Global U.S. dollar deposits—RM/GFS Charleston and RM/GFS Bangkok

consolidate the deposit transmittals received from the cashiers at their serviced posts on one deposit ticket and each center submits a single, consolidated deposit to the Federal Reserve Bank (FRB) or designated depository every day checks are received. The consolidation of the deposits to one deposit ticket will expedite the reconciliation of the Treasury account. RM/GFS Charleston and RM/GFS Bangkok must record what checks are included in each global deposit, by cashier. This will help expedite identifying which part of a deposit does not agree with Treasury records if differences occur later.

- b. Posts that deposit U.S. dollar checks into an approved ITGA must forward the confirmed copy of the Form SF-215, Deposit Ticket, to the appropriate USDO for processing into the financial management system. RM/GFS Charleston and RM/GFS Bangkok are responsible for ordering and preparing their Form SF-215 deposit tickets (see Cashier User Guide (CUG) 7.5, Preparing a Manual SF-215, Deposit Ticket).

4 FAH-2 H-312.4 Where to Make U.S. Dollar Check Deposits

(CT:DOH-19; 10-19-2005)

- a. U.S. dollar checks drawn on banks located in the United States are deposited with the covering Form SF-215 to a Treasury general account (ITGA if overseas) for transmittal to the Federal Reserve Bank (FRB).
- b. U.S. dollar checks drawn on foreign banks and foreign branches of U.S. banks are transmitted with the covering Form SF-215 to Citibank, Foreign Check Clearing, P.O. Box 15962, Wilmington, DE 19850-5962. The minimum U.S. dollar amount of each check that will be accepted for deposit by Citibank is \$50. Any checks less than \$50 should be sent back to the post. Citibank charges a \$75 fee to Treasury to process U.S. dollar checks drawn on foreign banks.

4 FAH-2 H-313 DEPOSITS OF LOCAL CURRENCY CHECKS

(CT:DOH-19; 10-19-2005)

- a. Local currency checks drawn on foreign banks are usually deposited by the cashier with the locally designated depository. The deposit is entered into the system at the post. The post cashier retains the bank deposit slip unless the banking specialist or the cashier monitor requests that it be sent to RM/GFS.
- b. The local currency deposit is verified by RM/GFS Charleston or RM/GFS

Bangkok upon receipt of the bank statement and completion of the monthly bank account reconciliation.

4 FAH-2 H-314 MAKING DEPOSITS OF CASH

(CT:DOH-19; 10-19-2005)

- a. When the post collections and receipts exceed the amount of cash needed to make advances and disbursements, the post cashier must deposit the excess cash.
- b. Excess U.S. dollar cash will be exchanged for a U.S. dollar check and forwarded to RM/GFS Charleston or RM/GFS Bangkok for deposit. Under certain conditions, the USDO may authorize a cashier to sell the U.S. dollar cash for local currency (see procedures in 4 FAH-2 H-513 b).
- c. Excess local currency will be deposited with the local designated depository and entered into the accounting system at the post or RM/GFS Charleston or RM/GFS Bangkok. The local currency deposit is verified by RM/GFS Charleston or RM/GFS Bangkok upon receipt of the bank statement and completion of the monthly bank account reconciliation. The post cashier retains the bank deposit slip unless requested by the RM/GFS Charleston or RM/GFS Bangkok cashier monitor.

4 FAH-2 H-315 FREQUENCY OF DEPOSITS

(CT:DOH-19; 10-19-2005)

- a. The USDO should make dollar check deposits once daily for each agency location code (ALC). To ensure that the maximum amount of funds *is* deposited each day, the depositor establishes a processing schedule to allow the deposits to reach the depository before the depository's daily "cutoff" time.
- b. The post cashiers makes only one local currency deposit each day and enters the deposit into the financial management system.
- c. Where possible, the USDO should arrange with the bank to be notified immediately of any deposits (excluding normal check processing) of currency purchases or other large transactions. Any large local currency cash deposits made by the cashier (more than several days worth of disbursements) should be reported to the USDO immediately. The USDO should also check internal records daily to determine if any large deposits were made. For example, at RM/GFS Charleston and RM/GFS Bangkok, data entry employees should check the deposit tickets they receive to make sure they are not more than one day old. Alternatively, the USDO should call the banks to determine if currency purchases have been

deposited.

4 FAH-2 H-316 PAPER CHECK CONVERSION (PCC)

(CT:DOH-19; 10-19-2005)

Instead of sending U.S. dollar checks to RM/GFS Charleston or Bangkok for deposit as described in 4 FAH-2 H-312, posts can now use Paper Check Conversion (PCC) to process these checks. RM/GFS Charleston and Bangkok also use PCC to process checks they receive.

- (1) The purpose of the PCC is to convert paper checks into electronic funds transfer (EFT) debit transactions. A PCC software program is used to convert a check into an electronic transaction when the check imager reads the bank account information from the bottom of the check and stores an electronic image of the check. The bank account information is then compared against a database to verify that the account is in good standing. If the account is approved, the cashier stamps the check “Void – Processed Electronically” and returns it to the customer.
- (2) The cashier keys in additional data that was not collected when the check was scanned, i.e., amount of transaction, social security number (SSN), etc. At the end of the day the cashier will submit the file electronically to the Federal Reserve Bank (FRB) in Cleveland.
- (3) The FRB will present the check to the customer’s bank and generate one Form SF-215 global deposit ticket for each ALC. The detail for each deposit ticket will include the amount of that day’s deposit and the cashier code for each post using the PCC software. Questions concerning this program should be addressed to the Office of Disbursing and Oversight (RM/GFS/S/ODO).

4 FAH-2 H-317 DEPOSIT TICKETS FOR CREDIT AND DEBIT CARD COLLECTIONS

(CT:DOH-19; 10-19-2005)

- a. Some posts collect consular fees by credit and debit card. Point-of-sale terminals have been placed in the consular section to make these collections. At the end of each day the consular cashier will forward to the Class B Cashier a machine-generated hard copy receipt for the fees collected that day. From this receipt the Class B Cashier prepares Form

Disbursing Officer Handbook

OF-158, General Receipt, and deposit transmittal, which, when entered into the automated cashing system (ACS) respectively increases and decreases the cashier's accountability.

- b. The servicing bank processes consular receipts collected by credit and debit card and reports these deposits in U.S. dollars to the Treasury for credit to the USDO. The bank enters the cashier code and date of collection on Form SF-215, Deposit Ticket, and forwards a copy to RM/GFS Charleston or RM/GFS Bangkok. RM/GFS Charleston or RM/GFS Bangkok enters the deposit into the system, crediting the cashier (decreasing the cashier's accountability), using the deposit ticket number as the voucher number, and reporting the Julian date of the collection as the transmittal letter (TL) number. The Julian date (1-365) is the date the deposit was recorded by the USDO (usually the next business day after the deposit by the servicing bank).
- c. The cashier reconciles his or her accountability by matching the cashier collection with the deposit recorded on the cashier activity report based on amount and date. The servicing bank procedures allow only one deposit per day per post so the Julian date aids the post cashier in matching the correct deposit with the correct day. The USDO reconciles the Treasury Statement of Differences by matching the amount and the deposit ticket number.
- d. Credit card chargebacks are transactions which reverse payments. The card issuing bank notifies the servicing bank of an item (charge) that is being challenged. The servicing bank notifies RM/GFS Charleston or RM/GFS Bangkok via fax requesting additional information (i.e., signed receipt). This fax notification is immediately sent to the appropriate cashier because there is a short window for the requested information to be sent back to the servicing bank. If the post cannot provide, or does not have enough information to support the charge, the servicing bank notifies the card issuing bank. A credit is given to the customer, and a debit voucher (chargeback) is created for the appropriate agency location code (ALC). The debit vouchers are mailed to RM/GFS Charleston or RM/GFS Bangkok, who enters them into the financial management system, creating a debit to the appropriate cashier. RM/GFS Charleston or RM/GFS Bangkok immediately prepares a telegram notifying the post cashier of the chargeback and mails a copy of the telegram and any other information pertaining to the chargeback to post. It is then the responsibility of the cashier to clear the chargeback.
- e. Procedures have also been developed for collecting cash for purposes other than consular fees (i.e., telephone and utility bills). This program is described in more detail in 4 FAH-2 H-618 and the Cashier User Guide (CUG). Detailed instructions for all credit card programs are on file at RM/GFS.

4 FAH-2 H-318 DEBIT VOUCHERS (DV) AND UNCOLLECTIBLE CHECKS

(CT:DOH-19; 10-19-2005)

- a. A debit voucher (DV) (Form SF-5515) is prepared by the depository to reduce a Deposit Ticket for the ALC in cases such as a check being lost or returned unpaid. The DV should have a supporting explanation and/or a returned check attached. For detailed instructions on the DV, refer to TFM Volume 1- Part 5 - Chapter 5000, and the Cashier User Guide (CUG) 8.2, Uncollectible Checks or Debit Vouchers. Upon receiving a DV, the agency should adjust its account and immediately proceed to collect the amount as though no check had been received.
- b. Debit vouchers are also issued to debit the disbursing officers' accounts for electronic funds transfers (Fedline EFT). These debit vouchers are used to reconcile Fedline transactions which appear as negative deposits on Form SF-1218, Statement of Accountability (Foreign Service Account). Although the DV numbers are not entered into the financial management system (they are received after the transaction has been completed), they are used by Treasury. The amount on the DV is matched with the amount entered by RM/GFS Charleston or RM/GFS Bangkok to reconcile the ACDC 70 Report with Treasury's Statement of Difference.
- c. Debit Vouchers Received for Uncollectible Checks.
 - (1) Uncollectible checks received for accommodation exchange.
 - (a) When an accommodation check is returned by a bank to RM/GFS, RM/GFS Charleston or RM/GFS Bangkok processes a debit voucher, which increases the post cashier's accountability by the amount of the returned check.
 - (b) RM/GFS Charleston or RM/GFS Bangkok forwards the returned check to the cashier and advises the cashier to request restitution for the uncollectible check, in accordance with CUG procedure 8.2, Requesting Restitution for Bounced Checks.
 - (2) Uncollectible checks received for refunds or other non-accommodation exchange collections.
 - (a) The USDO increases the cashier's accountability and enters the amount in the cashier's database.
 - (b) The USDO sends a cable to the cashier notifying them of the bad check and mails the debit voucher to the cashier.
 - (c) The USDO requests that the financial management officer (FMO) determine the original receipt's fiscal data and voucher

Disbursing Officer Handbook

the amount of the bounced check to that fiscal data to offset the cashier's on-hand debit voucher (decreases cashier's accountability).

- (3) The USDO must review all documents sent by the cashier or FMO concerning the collection efforts made to recover the bad check.
 - (a) If the USDO agrees that all reasonable attempts for collection have been made, the USDO will adjust its account and immediately proceed to collect the amount as though no check had been received (for accommodation exchange) to the Treasury gain and loss account 20Y6763.

NOTE: Y represents the fiscal year. Before using the 20Y6763 for prior years, provide the Office of Global Disbursing Operations (RM/GFS/S/DO) a copy of the proposed journal voucher and reason for using a prior year appropriation.

- (b) Once the USDO receives the package from the cashier and determines the account should be adjusted, the transaction must be processed within 30 days of receiving the package from the cashier.
 - (c) If the cashier accountability was increased and not yet decreased, the USDO will decrease the cashier accountability and immediately proceed to collect the amount as though no check had been received.
 - (d) If the USDO agrees that the cashier has made all reasonable attempts to collect the debt but wants to continue collection efforts at the USDO level, he or she should clear the cashier or post accountability by transferring the loss to their own accountability. If the USDO is still unable to collect the debt after six months from the date of the original debit voucher, the USDO must clear his or her accountability using the Treasury gain and loss account 20Y6763.
- (4) When the USDO adjusts their account, he or she must send the complete package to RM/GFS/S/ODO, attention Disbursing Oversight, within 10 days. Once received, RM/GFS/S/ODO will make distribution as follows:
 - (a) If the checks issued by one drawer are \$2,500 or less, RM/GFS/S/ODO will forward the checks and supporting documentation to RM's Accounts Receivable Division (RM/GFS/F/R). RM/GFS/F/R will take any additional actions as required by debt collection regulations (see 4 FAM 490).
 - (b) If the checks issued by one drawer total more than \$2,500, RM/GFS/S/ODO will forward the checks and supporting

Disbursing Officer Handbook

documentation to the Office of Investigations (OIG/INV) for possible investigation. If OIG/INV decides not to prosecute, OIG/INV will return the checks and supporting documentation to RM/GFS/S/ODO, who will forward them to RM/GFS/F/R.

- (c) If the USDO or post cashier makes a collection for which the cashier's accountability has already been adjusted, the funds will be credited to 19 3220, General Fund Proprietary Receipts, Not Otherwise Classified.
- (5) Each month a list of all outstanding debit vouchers over 120 days old and not adjusted by the USDO should be forwarded to RM/GFS/S/DO. This list should include the debit voucher number, amount, date, and current status (i.e., how many attempts at recovery have been made, responses from drawer, etc.)

4 FAH-2 H-319 UNASSIGNED