



Treasury Financial Manual

Bulletin No. 2011-06

Volume I

Retention: June 30, 2012

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

Subject: Reporting Suspense Account Activity Using F3875 and F3885 and Using Default Accounts F3500 and F3502 as a Governmentwide Accounting (GWA) Reporter

1. Purpose

This Treasury Financial Manual (TFM) bulletin outlines the options and guidance now available for FPAs to:

- Report transactions that they are unable to classify to the proper Treasury Account Symbol (TAS) at the point of origin.
- Become GWA reporters with less change to their current business practices.

These options are pertinent for the transition of all agency location codes to GWA reporters in the GWA system by October 1, 2014.

In addition, this TFM bulletin provides reporting guidance for the Shared Accounting Module (SAM) default clearing accounts F3500 for proprietary payments and collections and F3502 for Intra-governmental Payments and Collections (IPAC).

2. Authority

According to 31 U.S.C. 3513, the Secretary of the Treasury must prepare reports on the financial operation 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.

3. Rescission

This bulletin rescinds:

- TFM Volume I, Bulletin No. 2007-07: Suspense "F" Account Discontinuance and Waiver Policy;

AND

- TFM Volume I, Bulletin No. 2007-09: Format for Submission of Waiver Request Forms Resulting From F3875 and/or F3885 Suspense Account Activity.

4. Background

The Financial Management Service's (FMS's) GWA group strives to provide FPAs with a reliable and efficient system to report financial information, maintain data integrity, and streamline central accounting, reporting, and reconciliation processes. This objective requires that:

- FMS capture program-level spending or collections on a real-time or near real-time basis;
- FPAs convert to GWA reporters by classifying collection and disbursement transaction activity to the proper TAS at the time the transaction is executed (at the point of origin or when the collection is made).

To help accomplish these objectives, FMS is using SAM. SAM is an application that facilitates the process of validating or deriving TAS and Business Event Type Code (BETC) combinations to assist in classifying financial transactions as they occur.

Over the last few years, FMS has encouraged FPAs to become GWA reporters in the new GWA system and has worked with numerous FPAs that have converted to the new reporting method. However, in some instances, converting to the new reporting method required FPAs to change business practices, and changing those business practices has required more time than originally anticipated. Therefore, FMS must change its course of action to accelerate moving FPAs to the new and more efficient accounting and reporting system.

In addition, FMS has issued TFM releases that addressed new policy/changes regarding the use of suspense accounts. While FMS's objective and intent remain the same and with the unequivocal need to accelerate the implementation and functionality of the GWA system, FMS has reexamined using suspense accounts F3875 and F3885. Additionally, GWA staff members have held agency forums addressing the use of default accounts F3500 and F3502 for GWA reporters.

5. Accounting and Reporting Requirements

A. Continuing Use of Suspense Accounts F3875 and F3885 for Reporting Suspense Account Activity

FMS has stated in previous guidance that suspense accounts F3875 and F3885 would be discontinued unless an FPA obtained an approved waiver. Because of new FMS business practices and the need for FPAs to become GWA reporters, suspense accounts F3875 and F3885 will **not** be discontinued. FPAs can continue to use these suspense accounts with discretion and per currently established guidelines for GWA transaction reporting.

B. Suspense Account Request

FPAs with a justifiable business need for suspense accounts may submit a request to FMS for the use and/or reopening of suspense account F3875 and/or F3885. In these instances, a justifiable business need can be the inability of FPAs to classify **all** transactions at the point of origin. If one transaction suspends during processing because the correct account is unidentifiable, then an FPA has a justifiable business need to request the use of suspense account F3875 and/or F3885.

FPAs approved to use "F" accounts through the waiver process (TFM Volume I, Bulletin No. 2007-07) do not need to send a request to FMS. FPAs that did not request a waiver and that want to obtain an "F" account per the new guidance outlined in this TFM, must submit a request to FMS indicating the number of accounts needed based on the FPA's current needs.

FPAs must submit requests to FMS by **July 15, 2011**. The request must:

- Be submitted by the Chief Financial Officer (CFO), or CFO designee, at the department level for the bureau(s) that has a justifiable business need.

- Include a statement that the CFO agrees to annually certify (electronically) that the balance(s) in suspense account F3875 and/or F3885 for the preceding yearend does not include any items or transactions more than 60 days old. If there are transactions more than 60 days old, the FPA must clearly explain the reason in the annual electronic certification.
- Provide an email address and contact information for the person who will be submitting the electronic certification referenced above.
- Be emailed to budget.reports@fms.treas.gov.

Note: If an FPA has only one TAS, a request to use suspense account F3875 and/or F3885 is not necessary or permitted.

FMS will accept each FPAs request including the agreement to reclassify transactions/amounts temporarily placed in suspense accounts to the proper TAS within 60 business days of the transaction. FMS will acknowledge receipt of the FPA requests by email. FPAs can expect to receive the email within 30 days. FMS may reconsider requests at any time. FMS will accept only TAS that are valid and appropriate for use in IPAC. FPAs may review a list of the valid TAS/BETCs for IPAC on the FMS Web site at <http://www.fms.treas.gov/gwa>.

CFOs (or the CFOs' designees) must certify the balances in suspense accounts F3875 and F3885 to FMS annually, at yearend. FMS's Yearend Closing bulletin, normally issued each year in July, provides more information on submitting the certifications for the suspense accounts. See the TFM Volume I bulletin Web site at <http://www.fms.treas.gov/tfm/vol1/bull.html>.

Note: FMS may incorporate performance measures at a later date for the timely submission of CFO certifications.

C. SAM Default Accounts F3500 and F3502

FMS has established SAM default accounts F3500 and F3502 for each major agency department for payments and collections and IPAC transactions. The accounts were specifically established to:

- Facilitate systematic cashflows;

AND

- Temporarily classify or hold unidentified general, revolving, special, or trust fund transactions that have system defaulted as a result of an incomplete or invalid TAS or missing classification keys submitted by GWA reporters through payment or collection feeder systems into the GWA system.

The GWA system will automatically post the transactions associated with the invalid or missing TAS to a SAM default account. FPAs must clear the SAM default accounts within the specified timeframe. They must correctly reclassify **all** system defaulted transactions to a valid receipt or expenditure TAS by the third business day following the close of the accounting month. If the FPA does not clear the SAM default account timely, it will receive correspondence from FMS's Cash Accounting Division regarding the incomplete reporting.

For payment and collection systems, the SAM default TAS is XXXF3500¹. The applicable BETCs for defaulted payment system transactions are DISBBCA [for debit transactions that decrease the TAS fund balance with Treasury (FBWT)] and DISBBCAJ (for credit transactions that increase the TAS FBWT). The applicable BETCs for default collection system transactions are COLLBCA (for credit transactions that increase the TAS FBWT) and COLLBCAJ (for debit transactions that decrease the TAS FBWT).

¹ In this instance, the standardized component TAS structure consists of a three-digit agency identifier (XXX), availability type code (F), and main account code (3500) — XXXF3500.

For IPAC transactions, the SAM default TAS is XXXF3502². GWA reporters must use this TAS with the appropriate BETC to report reclassification transactions to Treasury. There are four applicable BETCs for IPAC. Reporters that only have typical collection and disbursement activity most likely will select DISBBCA as the default debit BETC and COLLBCA as the default credit BETC with TAS XXXF3502.

If an FPA cannot classify the entire balance that has defaulted to the SAM account correctly, the FPA may reclassify the balance to the corresponding suspense account F3875 and/or F3885. It must clear these “F” account entries within 60 business days of the transaction, per current policy.

Note: FPAs cannot use the SAM default accounts for an original classification on the Statement of Transactions (FMS 224, 1220, and 1221). These SAM default accounts are to be used only on the Statement of Transactions when GWA reporters are clearing/reclassifying SAM defaulted transactions in the Classification Transaction and Accountability Module of the GWA system.

D. Performance Measures

In the near future, FMS will begin associating performance standards with an FPA’s use of suspense accounts F3875 and F3885 based on percentages. On a quarterly basis, FMS will issue scorecard ratings and notification to agency CFOs on the FPA’s use of suspense and default accounts. Also, FMS will measure, based on performance, efforts by agencies to clear associated SAM default accounts F3500 and F3502 by the third business day of the month.

In regard to reclassifying suspense/default accounts, FMS’s notification to agency CFOs will consist of a quarterly performance scorecard rating issued at the department level. FMS will base the performance scorecard rating on a percentage of the agencies total offsetting collection or payment transaction volume as reported on the Statement of Transactions for the same qualifying quarter. FMS will use the following performance measures in the notification:

- 5 percent or less — Green
- 6 to 9 percent — Yellow
- 10 percent or more — Red

Note: FMS rounds the percentage to the nearest whole number.

For example, an FPA reports \$1,000 each month for one quarter. If the amount of new transactions classified to suspense account F3875 for that quarter is:

- \$145, then FMS will issue a green scorecard rating;
- \$210, then FMS will issue a yellow scorecard rating;

OR

- \$450, then FMS will issue a red scorecard rating.

The implementation of performance measures for “F” account balances will be effective January 1, 2012, measuring first-quarter fiscal 2012 reporting.

E. Timelines

FMS encourages FPAs to work toward meeting these requirements and to becoming GWA reporters. FPA adoption and implementation of these requirements is necessary for GWA to reach full implementation of an FMS core source system, the Collections and Cash Management Modernization (CCMM) initiative by December 31, 2012. By this date all FPAs must convert from legacy systems to the

² In this instance, the standardized component TAS structure consists of a three-digit agency identifier (XXX), availability type code (F), and main account code (3502) — XXXF3502.

new end-state systems and enterprise architecture for collections. In addition, the collections channels and the Transaction Reporting System (TRS) will facilitate the data capture and reporting of classification information for the GWA initiative by December 31, 2012. FMS will complete modifications to core system functionalities to capture TAS/BETCs at the transaction level by December 31, 2012. Effective October 1, 2014, all FPAs must submit TAS/BETC information on all transaction types (IPAC, payments, and collections). Other significant timelines have been outlined and disseminated to all CFOs and Deputy CFOs in a memorandum from FMS Commissioner, David A. Lebryk, dated January 14, 2011.

6. References

The following references provide additional guidance:

- Volume I, Bulletin No 2011-04: Intra-governmental Business Rules (<http://www.fms.treas.gov/tfm/vol1/11-04.pdf>);
- Memorandum to all CFOs and Deputy CFOs from FMS Commissioner David A. Lebryk, dated January 14, 2011 (<http://www.fms.treas.gov/ccmm/final-CFO-letter-01-14-11.pdf> or <http://www.fms.treas.gov/gwa/index.html>).
- SAM Web site (<http://www.fms.treas.gov/sam/index.html>).

7. Effective Date

This bulletin is effective immediately.

8. Inquiries

Direct questions concerning this bulletin to the contacts below (email or fax is preferred over a mailed request):

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Date: June 15, 2011

David A. Lebryk
 Commissioner