VOLUME 5, CHAPTER 16: "FOREIGN CURRENCY RECORDS AND REPORTS"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font***.

The previous version dated March 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Hyperlink references to Financial Management Regulation Chapters, forms, and verified the Department of Commerce address.	Update
160302 (previous version)	Remove this paragraph and related sections (A through H) regarding the preparation of Standard Form 1219 (Statement of Accountability). This information is provided in Chapter 19 of Volume 5.	Delete

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CHAPTER 16

FOREIGN CURRENCY RECORDS AND REPORTS

1601   SUBSIDIARY RECORDS

160101.   General

Treat all transactions involving foreign currency as cash transactions and follow the same principles and guidelines established for controlling U.S. currency. All disbursing officers (DOs), deputy DOs, agents, and cashiers who engage in foreign currency transactions (e.g., collections, disbursements, and accommodation exchanges) keep a record of such transactions on Foreign Currency Control Record (Department of Defense *(DD) Form 2663*). This form shows current balances of foreign currency on hand (all foreign currency held by cashiers, in the vault, or by other agents of the DO) and in limited depositary accounts (LDAs), as well as the detailed transactions that increase or decrease these balances.

160102.   Requirement for Separate DD Forms 2663

Maintain separate DD Forms 2663 for each type of foreign currency used (e.g., Kuwaiti Dinar, British Pound Sterling, Japanese Yen). Also maintain a separate DD Form 2663 for accommodation exchange foreign currency if it is carried at a different exchange rate than that used for disbursements. DOs, at their discretion, may maintain separate DD Forms 2663 for foreign currency on hand and foreign currency in LDAs.

160103.   Preparation of DD Form 2663

The DD Form 2663 is designed for notebook style usage. Complete both sections (sides) of the form to make a complete record of each line entry. See Figure 16-1. Complete the form as follows:

A.   Item 1: Date. Enter the applicable transaction date.

B.   Item 2: Transaction Reference. Enter data to enable reference to transaction source documents (e.g., voucher number, revaluation and LDA check number).

C.   Item 3: Exchange Rate. Enter the foreign currency to U.S. dollar exchange rate applicable to the transaction.

D.   Item 4: Collections

1.   Subitem a: Miscellaneous Receipts. Enter the amount of foreign currency in the "units" column and the U.S. dollar equivalent of those units in the "dollars" column for any foreign currency collected into a Department of the Treasury (Treasury) miscellaneous receipt account.

       2.   <u>Subitem b: Reimbursement/Refund</u>. Enter the amount of foreign currency in the "units" column and the U.S. dollar equivalent of those currencies in the "dollars" column for any foreign currency reimbursement or refund transactions. DOs, at their option, may use these columns only for reimbursements while netting refunds out in Item 8; draw a single line through the word "refund" when using this option.

       E.   <u>Item 5: Purchases</u>

       1.   <u>Subitem a: Government Sources</u>. Enter the amount of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column for foreign currency purchases from government sources (including other DOs). Include foreign currency acquired from government sources to be used for accommodation exchange purposes. Do not include foreign currency acquired in accommodation exchange transactions.

       2.   <u>Subitem b: Non-government Sources</u>. Enter the amount of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column for foreign currency purchases from non-government sources, including military banking facilities and nonappropriated fund activities. Include foreign currency acquired from non-government sources to be used for accommodation exchanges and foreign currency acquired in accommodation exchanges.

       3.   <u>Subitem c: Outlay for Accommodation Exchange</u>. This sub-item is for memorandum entry only since any foreign currency acquired in accommodation exchange transactions is included in sub-item 5b. Enter the U.S. dollar equivalents of those currencies in subitem 5b associated with accommodation exchange purchases. These amounts are required for foreign currency reporting. This sub-item may be left blank when a separate DD Form 2663 is maintained exclusively for accommodation exchange transactions.

       F.   <u>Item 6: Country</u>. Enter the name of the country whose currency is reported on the DD Form 2663 (e.g., Kuwait, United Kingdom, Japan).

       G.   <u>Item 7: Currency Unit Type</u>. Enter the name of the foreign currency reported on the DD Form 2663 (e.g., Dinar, Pound Sterling, Yen).

       H.   <u>Item 8: Disbursements</u>. Enter the amount of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column for foreign currency disbursements. When including foreign currency refunds in sub-item 4b, disbursements entered in this item are gross disbursements. When entering only reimbursements in sub-item 4b, disbursements entered in this item are net of refunds.

       I.   <u>Item 9: Deposits/Sales/Transfers</u>. Enter the amounts of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column represented by accommodation exchange sales, deposits to a general depositary, or transfers to other DOs or agents outside the DOs accountability. Do not show deposits to an LDA in this item.

       J.   <u>Item 10: Gain or Loss</u>. Enter gains or losses resulting from revaluation of

foreign currency on hand and in an LDA. Include gains or losses recognized on the basis of individual disbursement or accommodation exchange transactions. Also enter the amounts of physical losses of foreign currency. Process overages of foreign currency as reimbursements to **F3875 or eventually as receipt account collections. See Chapter 6 of this volume.

           K.   Item 11: Sub Balance

               1.   Subitem a: On Hand. Enter the cumulative amounts of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column representing the balance of foreign currency on hand (not including currency on deposit in an LDA). Balance (offset) entries in this sub-item with entries in other items of the DD Form 2663 except when foreign currency being carried as cash on hand is deposited to an LDA or when an LDA check is written to obtain cash on hand. Enter these transactions as decreases (or increases, as appropriate) in the "units" and "dollars" columns of this subitem and subitem 11b. Enter appropriate references to such transactions in items 1 and 2.

               2.   Subitem b: LDA. Enter the cumulative amounts of foreign currency in the "units" column and their U.S. dollar equivalents in the "dollars" column representing the balance on deposit in an LDA. Balance (offset) entries in this sub-item with entries in other items of the DD Form 2663 except for transactions involving transfers between cash on hand and cash in an LDA as explained in the preceding subparagraph.

           L.   Item 12: Combined Balance. Enter the total of the "units" and "dollars" columns of sub-items 11a and b in the in the appropriate columns.

      160104.   Totaling the DD Form 2663

      Compute and enter column totals of items 4 through 10 at the end of each month, at the end of each quarter, and at the end of each year.

1602   FOREIGN CURRENCY REPORTS

      160201.   Quarterly Reports of DOs

           A.   Cumulative Report of Foreign Currency Purchased With U.S. Dollars from Sources Outside the U.S. Government. Submit this report at the end of each quarter. It is cumulative for the fiscal year. Include the amounts acquired through accommodation exchange transactions as well as purchases from banks and other dealers in currency exchange. Submit the report in the form of a listing with the headings: Country of Currency; Monetary Unit; Number of Units Purchased; Total Dollar Outlay; and Memorandum - Dollar Outlay for Accommodation Exchanges. Submit reports to the supporting Defense Finance and Accounting Service (DFAS) site within 15 calendar days after the close of each quarter.

           B.   Report of the Balance of Foreign Currency Held Under Dollar Accountability. Submit this report in the form of a listing with the headings: Country of Currency; Monetary Unit; Number of Units; Dollar Equivalent; and Rate of Exchange. Submit

the report at the end of each quarter to the same activity as the cumulative report, with which this report may be combined.

C.   Report of Foreign Exchange Received by DOs and Credited Immediately to Miscellaneous Receipt Accounts of the Department of the Treasury. These funds are received for such things as fees and services and are immediately purchased by DOs with appropriated funds for their operating needs. Exclude repayments to appropriations. Submit this report in the form of a listing with the headings: Country of Currency; Monetary Unit; Number of Units; Dollar Equivalent; and Rate of Exchange. Submit it at the end of each quarter to the same activity as the cumulative report of outside purchases and quarterly report of balances of foreign currency on hand, with which it may be combined.

160202.   Consolidated Quarterly Reports of Dos

DFAS sites consolidate the quarterly reports of DOs and forward them as directed by DFAS headquarters in time to be delivered to the Treasury 45 calendar days after the close of each quarter. Simultaneously submit a copy of the combined consolidated quarterly reports of DOs or a consolidated quarterly report of foreign currency on hand only to the Balance of Payments Division, Bureau of Economic Analysis, Room 8038, Department of Commerce, 1441 L Street NW, Washington, DC 20230.

1603   STATEMENT OF ACCOUNTABILITY (SF 1219)

160301.   General

Report all foreign currency balances held under a DO's dollar accountability, including Limited Depositary (LD) checking account balances, on the *(SF 1219)*, expressing all entries in the amounts column in their U.S. dollar equivalents. See Chapter 19 of this volume for complete details on preparation of the SF 1219.

Figure 16-1. Foreign Currency Control Record (DD Form 2663), Section I

1. DATE	2. TRANSACTION REFERENCE	3. EXCH RATE	4. COLLECTIONS				5. PURCHASES				
			a. MISC RECEIPT		b. REIMBURSEMENT/ REFUND		a. GOVERNMENT SOURCES		b. NON-OVERNMENT SOURCES		c. OUTLAY FOR ACCOM. EXCHANGE
			UNITS	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	DOLLARS
4/6/XX	CV-1111	1.10									
4/9/XX	Purch by Accom Ex	1.10							10	11.00	11.00
4/12/XX	Vend Pay Vouch S12	1.10									
4/16/XX	Sale by Accom Ex	1.10									
									10	11.00	11.00

DD Form 2663, AUG 93

Figure 16-1. Foreign Currency Control Record (DD Form 2663), Section II

FOREIGN CURRENCY CONTROL RECORD (Section II)									6. COUNTRY France	
									7. CURRENCY UNIT TYPE Euro	
8. DISBURSEMENTS		9. DEPOSITS / SALES/ TRANSFERS		10. GAIN OR LOSS	11. SUB BALANCE				2. COMBINED BALANCE	
					a. ON HAND		b. LDA			
UNITS	DOLLARS	UNITS	DOLLARS	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS
				10.00	100	110.00			100	110.00
					110	121.00			110	121.00
60	66.00				50	55.00			50	55.00
		40	44.00		10	11.00			10	11.00
60	66.00	40	44.00	10.00						