

**VOLUME 5, CHAPTER 18: “EMERGENCY DISPOSITION OF CURRENCY, COIN,  
AND NEGOTIABLE INSTRUMENTS”**

SUMMARY OF MAJOR CHANGES

All changes are in **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 in **bold, italic, blue and underlined font**.

The previous version dated **January 2010** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
Multiple	Revised entire chapter to include administrative updates and hyperlinks.	Update
1801	Provided guidance addressing contingency plans and internal controls under emergency operations.	Add
1802	Provided guidance addressing secured vaults and/or safes as designated safe locations to secure currency, coin, and negotiable instruments under emergency conditions.	Update

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## CHAPTER 18

EMERGENCY DISPOSITION OF CURRENCY, COIN,  
AND NEGOTIABLE INSTRUMENTS

## \*1801 GENERAL

## 180101. Overview

Heads of Department of Defense (DoD) components must develop and maintain contingency plans and standby procedures to dispose of currency, coin, and negotiable instruments under emergency conditions. Plans should include internal controls to minimize the potential risks of fraud, waste, and mismanagement. Emergency operations include, but are not limited to, combat operations, peacekeeping operations, humanitarian assistance efforts, noncombatant evacuation operations, and disaster relief efforts.

## 180102. Purpose

This chapter provides guidance for the disposition of currency, coin, and negotiable instruments under emergency conditions. Submit requests for exceptions to this guidance following Chapter 1.

## \*1802 POLICY

## 180201. Disposition

A. Emergency Conditions. Under conditions that may require the evacuation, disposal, or destruction of currency, coin, or negotiable instruments, commanders will need to execute their contingency plans. Disbursing Officers (DOs) or the DO's designee will evacuate currency, coin, and negotiable instruments under emergency conditions or in anticipation of enemy action to a designated safe location (e.g., secured vaults or safes). If it appears that capture of these items is possible, DOs or DO's designee will destroy funds as prescribed in this chapter, and are accountable for all public funds under their control.

B. Imminent Threat. Upon initial notification of a threat that may require the destruction of currency, coin, and negotiable instruments, the DO or Deputy Disbursing officer (DDO) or the DO's designee should determine cash requirements, recall or purchase excess funds, and evacuate them to a designated safe haven. Under emergency conditions, or in anticipation of enemy action, the DO or DDO, to the extent possible, evacuates currency, coin, and negotiable instruments held at personal risk. If, in the DO's, DDO's, or commander's opinion, it appears that capture of these funds is possible, destroy them as prescribed in this chapter, or secure them in a manner that will minimize the risk of capture.

1. Combustible Materials. If capture of funds is inevitable, burn paper currency, checks, bonds, and other burnable documents completely to ashes. If this is not possible, use chemical decomposition, shredding, or pulping. These alternative methods must

completely destroy the original character and appearance of [the items being destroyed](#), rendering them non-negotiable.

2. Solid Substances. Dispose of coins and other valuable non-burnable items, [including](#) signature plates and digitized signature media, by crushing (plates and media) and/or scattering in deep bodies of water (coins), when possible. When no suitable bodies of water are present, discretely bury these items in the ground. Coins may also be fused or mutilated to make them unrecognizable. Fragment and scatter bars, ingots, and other units of precious or valuable substances, making their recovery impossible or at least uneconomical.

C. Destruction Precedence. DOs/DDOs in areas of elevated tension should anticipate the possibility of emergency destruction and maintain procedures to rapidly inventory and destroy their funds. If there is not enough time to destroy all funds held by the DO/DDO, prioritize the destruction as follows:

1. [United States \(U.S.\)](#) and foreign currency and negotiable instruments carried as cash in the DO's accounts;

2. Blank Treasury checks;

3. Blank limited depository checks;

4. Currency, negotiable instruments, and other valuables held for safekeeping under Chapter 27;

5. Coins; and

6. Other valuables (e.g., signature plates and digitized signature media) in the DO's/DDO's custody.

D. Sudden Destruction. When currency and coins are destroyed by explosion, fire, sinking of a vessel, or aircraft accident, the accountable DO prepares a written statement identifying the circumstances under which the destruction occurred and sends it with a request for relief of liability to the Director, Defense Finance and Accounting Service (DFAS) - Indianapolis, ATTN: DFAS-ZPFA/IN, 8899 E. 56th Street, Indianapolis, IN 46249-0500. If the DO does not survive the disaster that destroyed the funds, the officer designated to settle the account acts on the DO's behalf by reconstructing the accountability of the DO and initiating the appropriate requests for relief.

E. Accounting for Destroyed Currency, Coin, and Negotiable Instruments. DOs account for destroyed currency, coin, and negotiable instruments which were held as public funds on line 7.7 of the [Department of Defense \(DD\) Form 2657](#) (Daily Statement of Accountability) and the [Standard Form \(SF\) 1219](#) (Statement of Accountability), and attach copies of supporting [DD Form 2669](#) (Destruction Schedule) to the affected DD Form 2657 and SF 1219. Enter "Currency, Coin, and Negotiable Instruments Destroyed; see attached DD Form 2669" on line 7.7 of both forms.

## 180202. Preparation for Emergency Destruction of Currency

A. DOs and their Agents

1. U.S. Currency. If time permits, the DO/DDO prepares original and 3 copies of [DD Form 2669](#) for all U.S. currency to be destroyed, [noting](#) the reason in the space provided. For full or partial packages of new currency, note the beginning and ending serial numbers of each denomination. Destruction must be witnessed by three persons who are either U.S. commissioned or noncommissioned officers, or U.S. government civilian employees who are U.S. citizens. The DO/DDO may serve as the third witness if one of the other two witnesses is senior in rank to the DO/DDO. Witnesses enter their names, ranks, and signatures in the spaces provided. A DO/DDO serving as a witness completes block 5 and the applicable section of block 8. Do not delay destruction pending arrival of the DO's/DDO's superior. Indicate the method of destruction in the space provided for the witnesses' certifications.

2. Check Stock. If time permits, the DO/DDO prepares a listing (original and 3 copies) of the U.S. Treasury and limited depository account check stock to be destroyed, indicating the range (from and through) of check numbers for each series of checks maintained. The witnessing requirements in subparagraph [180202.A.1](#) apply.

3. Foreign Currency and Coin. If time permits, the DO/DDO prepares a DD Form 2669 for foreign currency and coins [to be](#) destroyed. Modify the appropriate areas of the form to identify the [different](#) denominations; [prepare](#) separate forms for currency and coins and separate forms for public funds and those held for safekeeping. The witnessing requirements in subparagraph [180202.A.1](#) apply.

4. U.S. Coin. If time permits, the DO/DDO prepares a DD Form 2669 as described above for U.S. coin [to be](#) destroyed, including the same type of information required for U.S. currency, but listing the denominations and value of each denomination to be destroyed. [DO/DDO will](#) cross out the preprinted denominations of paper currency, and enter the coin denominations. Also, cross out "currency" and enter "U.S. coin" immediately above in both the DO's/DDO's and witnesses' certification blocks. The witnessing requirements in subparagraph [180202.A.1](#) apply.

5. Signature Media. [Follow](#) subparagraphs [180201.B.2](#) and [180202.A.1 for disposal](#) of signature plates and digitized signature media.

B. Non-appropriated Fund (NAF) Custodians

1. U.S. Currency and Coin. When [directed](#) by the [commander](#), NAF activities turn in their U.S. currency and coin to the nearest DoD DO/DDO in exchange for a U.S. Treasury check for the appropriate amount. [After the exchange](#), the funds become public funds, for which the DO is accountable. If destruction becomes necessary, paragraph [180202](#) applies. [If an](#) exchange cannot be made, a NAF authority should prepare a destruction schedule similar to the [DD Form 2669](#) and, [after verification](#), [dispose of currency and coins following](#) subparagraph [180201.B](#) in the presence of at least one NAF representative and two U.S.

commissioned or noncommissioned officers or U. S. government civilian employees (witnesses as prescribed in subparagraph 180202.A.1).

2. Foreign Currency and Coin. When directed by the commander, NAF activities turn in their foreign currency and coin to the nearest DoD DO/DDO in exchange for a receipt (stated in units of the foreign currency) stating that the foreign currency is being accepted for safekeeping and that neither the DO/DDO nor the U.S. Government is accountable for loss or destruction as a result of the existing emergency; see Chapter 27. If after accepting foreign currency and coin for safekeeping, the DO/DDO must use the funds to meet operational requirements, the DO/DDO issues a U.S. Treasury check to the NAF activities for the U.S. dollar equivalent of the foreign funds used. If destruction becomes necessary and time permits, the DO/DDO prepares a DD Form 2669. When an exchange cannot be made, a NAF authority prepares a destruction schedule similar to the DD Form 2669, and after verification, burns the currency to ashes. Dispose of foreign coins as prescribed in subparagraph 180201.B, with witnesses as prescribed in subparagraph 180202.A.3.

C. Military Banking Facilities (MBFs). Commanders notify MBFs as soon as possible when they believe it is prudent for them to liquidate their coin and currency holdings. Bank managers in critical areas may periodically exchange currency that exceeds day-to-day requirements for a U.S. Treasury check, thus reducing currency susceptible to loss.

1. U.S. Currency and Coin. When it becomes necessary to destroy U.S. currency and coin, the MBF transports it to the nearest DoD DO/DDO and exchanges it for a U.S. Treasury check. As with U.S. currency and coin received from NAF activities, the DO/DDO is accountable for and includes it on the appropriate DD Form 2669. When an exchange cannot be made, the bank manager prepares a destruction schedule similar to the DD Form 2669, and after verification of the currency to be destroyed, burns the currency to ashes in the presence of at least one MBF representative and two U.S. commissioned or non-commissioned officers or U.S. government civilian employees who are U.S. citizens. Dispose of U.S. coins as prescribed in subparagraphs 180201.B and 180202.A.1.

2. Foreign Currency and Coin. When it becomes necessary to destroy foreign currency and coin, the MBF transports it to the nearest DoD DO/DDO and exchanges it for a receipt stating that the foreign currency is being accepted for safekeeping and that neither the DO/DDO nor the U.S. Government is accountable for loss or destruction as a result of the existing emergency; see Chapter 27. If after accepting foreign currency and coin for safekeeping, the DO/DDO must use the funds to meet operational requirements, the DO/DDO issues a U.S. Treasury check to the MBF for the U.S. dollar equivalent of the foreign funds used. If destruction becomes necessary and time permits, the DO/DDO prepares DD Form 2669. When an exchange cannot be made, the bank manager should prepare a destruction schedule similar to the DD Form 2669, and after verification of the currency to be destroyed, burn the currency to ashes. Follow subparagraphs 180201.B and 180202.A.3 to dispose of foreign currency and coin.

D. Other DoD-Sponsored Activities

1. U.S. Currency and Coin. When it becomes necessary to destroy U.S. currency and coin, managers of these activities deliver them to the nearest DoD DO/DDO in exchange for a U.S. Treasury check. As with U.S. currency and coin received from NAF activities, when a U.S. Treasury check is issued in exchange for the value of the funds, the DO is accountable for the funds and includes them on the appropriate DD Form 2669. When an exchange cannot be made, the activity manager prepares a destruction schedule similar to the DD Form 2669, and verifies and burns the currency to ashes in the presence of at least one representative from the activity and two U.S. commissioned or noncommissioned officers or U.S. government civilian employees who are U.S. citizens. Follow subparagraphs 180201.B and 180202.A to dispose of U.S. currency and coin.

2. Foreign Currency and Coin. When it becomes necessary to destroy foreign currency and coin, managers of these activities deliver them to the nearest DoD DO/DDO in exchange for a receipt stating that the foreign currency is being accepted for safekeeping and that neither the DO/DDO nor the U.S. Government is accountable for loss or destruction as a result of the existing emergency; see Chapter 27. If after accepting foreign currency and coin for safekeeping, the DO/DDO must use the funds to meet operational requirements, the DO/DDO issues a U.S. Treasury check to the activity for the U.S. dollar equivalent of the foreign funds used. If destruction becomes necessary, the DO/DDO prepares DD Form 2669 if time permits. When an exchange cannot be made, the activity manager prepares a destruction schedule similar to the DD Form 2669, and after verification, burns the currency to ashes. Follow subparagraphs 180201.B and 180202..A to dispose of foreign currency and coin.

Figure 18-1. Sample Department of Defense (DD) Form 2669 (Destruction Schedule)

DESTRUCTION SCHEDULE							
SECTION I - SCHEDULE OF CURRENCY TO BE DESTROYED							
1. LOCATION NAS Troublespot, APO		2. DSSN 1234		3. REASON FOR DESTRUCTION Enemy attack			
4. INCLUSIVE SERIAL NUMBERS <i>(New Notes Only)</i>	\$1	\$5	\$10	\$20	\$50	\$100	TOTAL
	250	500	1000	300			2050
<b>TOTAL</b>	250	500	1000	300			2050
SECTION II - CERTIFICATIONS							
I hereby certify that the above described currency in the amount of <u>\$2,050.00</u> dollars has been counted, verified, and found correct, and delivered this day for destruction at <u>NAS Troublespot</u> .							
5. DISBURSING OFFICER NAME AND RANK OR GRADE James M. Jonas, CDR, SC, USN				6. SIGNATURE		7. DATE 11/13/XXXX	
We hereby certify that the currency specified and described in the foregoing schedule was received and verified by us and was totally destroyed in our presence by <u>burning</u> on this date.							
8. WITNESSES							
a. NAME, RANK OR GRADE, SIGNATURE James M. Jonas, CDR, SC, USN		b. NAME, RANK OR GRADE, SIGNATURE S.C. Gorman, CDR, USN		c. NAME, RANK OR GRADE, SIGNATURE A.F. Doyle, CAPT, USN			
9. LOCATION NAS Troublespot, APO						10. DATE 11/13/XXXX	

DD Form 2669, AUG 93