



Treasury Financial Manual

Transmittal Letter No. 683

Volume I

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

1. Purpose

This transmittal letter (T/L) releases revised I TFM 2-5100, Reconciling Fund Balance With Treasury Accounts, and the supplement to I TFM 2-5100, Fund Balance With Treasury Reconciliation Procedures. This chapter and supplement provide policy and procedures for reconciling agencies' Fund Balance With Treasury (FBWT) accounts.

2. Page Changes

Remove

I TFM 2-5100 (T/L 588)

Supplement, Fund Balance With Treasury Reconciliation Procedures, dated November 1999

Insert

I TFM 2-5100

Supplement, Fund Balance With Treasury Reconciliation Procedures, dated March 2012

3. Effective Date

This transmittal letter is effective immediately.

4. Inquiries

Direct questions related to this chapter and the supplement to:

Cash Accounting Division
Cash Accounting and Reporting Directorate
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room 500E
Hyattsville, MD 20782
Telephone: 202-874-7752
Fax: 202-874-8887
Email: fund.balance@fms.treas.gov

Date: March 29, 2012

David A. Lebryk
Commissioner

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Part 2—Chapter 5100

RECONCILING FUND BALANCE WITH TREASURY ACCOUNTS

This chapter provides policies and procedures for reconciling agencies' Fund Balance With Treasury (FBWT) accounts. For detailed instructions, also see the Treasury Financial Manual (TFM) supplement *Fund Balance With Treasury Reconciliation Procedures* on the TFM Web site at <http://www.fms.treas.gov/tfm/vol1/supplements/supp-v1p2c510.html>.

Section 5110—Applicability

This chapter applies to all Federal agencies and U.S. Disbursing Officers/Offices (DOs) that report monthly collections and disbursements to the Department of the Treasury's (Treasury's) Financial Management Service (FMS) on—

- FMS 224: Statement of Transactions (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals);
- SF 1218: Statement of Accountability (Foreign Service Account);
- FMS 1219: Statement of Accountability;
- FMS 1220: Statement of Transactions According to Appropriations, Funds and Receipt Accounts;

AND

- SF 1221: Statement of Transactions According to Appropriations, Funds and Receipt Accounts (Foreign Service Account).

Section 5115—Authority

In accordance with 31 U.S.C. 3513, the Secretary of the Treasury must prepare reports to inform the President, the Congress, and the public on the financial operations of the U.S. Government. The head of each executive agency must provide reports and information on the financial conditions and operations of the agency that the Secretary of the Treasury requires. Therefore, Treasury requires that agencies reconcile their FBWT accounts on a regular and recurring basis to assure the integrity and accuracy of their internal and Governmentwide financial report data.

Section 5120—Background

FMS receives monthly Statements of Transactions (SOTs) and Statements of Accountability (SOAs) from agencies and U.S. DOs. FMS relies on this monthly financial reporting of receipts and disbursements to meet its congressionally mandated central accounting and reporting responsibilities. It reports data to the President, the Congress, the Office of Management and Budget (OMB), and the public.

FMS also uses agencies' reporting of receipt and disbursement activity to update its record of agencies' FBWT account balances. It posts the transactions from agencies' SOTs and SOAs and other source documents to its central accounting system (STAR) and the Governmentwide Accounting (GWA) Account Statement. To ensure the accuracy of the Government's overall receipt and disbursement activity, FMS compares the agencies' reporting with the transaction activity provided by Treasury Regional Financial Centers (RFCs), DOs, Federal Reserve Banks (FRBs), and other depositories. This comparison validates monthly receipt and disbursement data and determines the accuracy of Treasury's operating cash. FMS produces FMS 6652s: Statements of Differences (SODs), to report differences between deposit and disbursement data identified by comparing SOT and SOA data reported by agencies to data reported by financial institutions, RFCs, and the Intra-governmental Payment and Collection (IPAC) System through the Government On-Line Accounting Link System II (GOALS II).

Unresolved differences compromise the reliability of FBWT balances and Treasury's published financial reports.

This, in turn, compromises the overall integrity and status of the Government's financial position.

Reconciling FBWT accounts is a key internal control process. It assures the reliability of the Government's receipt and disbursement data as reported by agencies. Therefore, agencies must perform timely reconciliations and implement effective and efficient reconciliation processes. For more detailed instructions on the various types of reconciliation, see the *Fund Balance With Treasury Reconciliation Procedures*, on the TFM Web site at <http://www.fms.treas.gov/tfm/vol1/supplements/supp-v1p2c510.html>.

Reconciliation of FBWT accounts requires reconciliation of the following:

- An agency's reported deposit and debit voucher transactions with FMS 6652: Statement of Differences, Deposit Transactions.
- An agency's reported disbursement and IPAC transactions with FMS 6652: Statement of Differences, Disbursing Office Transactions.
- Check issue data processed in the Treasury Check Information System (TCIS) with the check issue amount reported on the SOA reports [by non-Treasury Disbursing Offices (NTDOs) and RFCs].
- An agency's USSGL account 1010, Fund Balance With Treasury, to FMS's GWA Account Statement.

Agencies should document their reconciliations and make them available to auditors and Treasury if requested. Agencies also should ensure that all adjustments are researched and traceable to supporting documents.

Appendix 1 lists the FBWT reconciliation points of contact and their responsibilities.

Appendix 2 includes common problems and solutions for reconciling FBWT accounts.

Section 5125—Definition of Terms

CASHLINK II—CASHLINK II is an electronic cash concentration and information system used to manage the collection of U.S. Government funds throughout the world. It links agencies, commercial banks, FRBs, and Treasury through an electronic network. CASHLINK II receives deposit information, initiates funds transfers, and concentrates daily deposits made through multiple collection mechanisms. It provides agencies with real-time information to reconcile their accounts. In addition, CASHLINK II assists Treasury in managing depository services provided by financial institutions and monitoring the cash position of the U.S. Government. (For further information on CASHLINK II, see the Web site at <http://www.fms.treas.gov/cashlink>.)

Cash Accounting Division (CAD)—CAD is part of FMS's Cash Accounting and Reporting Directorate. CAD assists agencies with reconciling their FMS 6652s and transactions posted to the GWA Account Statement by providing data and guidance on collection and disbursement reporting.

Classification, Transactions and Accountability (CTA) Module—Federal Program Agencies (FPAs) use the CTA Module to report their monthly accounting activity to FMS. The CTA FMS 224 monthly reports transmitted to Treasury serve as a basis of Treasury's publications to Congress and the public regarding Federal revenues and expenditures. The CTA Module consists of three main sections: Section 1, Classification, and Reclassification by Treasury Account Symbol (TAS); Section 2, Payments and IPAC; and Section 3, Collections.

Fund Balance With Treasury (FBWT) Account—This asset

account represents the future economic benefits of monies that agencies can spend for future authorized transactions. Transactions such as appropriation warrants, nonexpenditure transfers, collections, disbursements, and related adjustments reported to FMS and classified to a TAS increase or decrease the FBWT account balance. Agencies must reconcile the corresponding USSGL account 1010 balance for each TAS reported, as shown on the GWA Account Statement. (For further information on the FBWT account, see the Web site at <http://www.fms.treas.gov/fundbalance>.)

Government On-Line Accounting Link System II (GOALS II)—GOALS II is the Governmentwide network by which agencies provide automated financial reporting to FMS and OMB. It also provides agencies with reports on their receipt and disbursement activity and other FBWT transactions. (For further information on GOALS II, see the Web site at <http://www.fms.treas.gov/GOALS>.)

Governmentwide Accounting (GWA) System—The GWA System is an Internet-based application that provides agencies with account statement transactions.

Intra-governmental Payment and Collection (IPAC)—FPAs use this online application within GOALS II for interagency billings and payments for goods and services. The IPAC System facilitates the intra-governmental transfer of funds, with descriptive data, from one FPA to another. (For further information on the IPAC System, see the Web site at <http://www.fms.treas.gov/GOALS/ipac>.)

Limited Payability—Limited payability limits Treasury's payment for issued checks to 1 year. After a check has been outstanding for 1 year, Treasury cancels it and returns the funds to the agency that authorized the payment. If a check is presented for payment after it has been limited payability canceled, Treasury considers

it stale dated and will not honor that payment if presented by a bank. The originating agency would need to issue, or request the RFC to issue, a replacement check to pay the outstanding obligation.

Regional Financial Centers (RFCs)—These FMS centers issue payments by check, Automated Clearing House (ACH), and electronic funds transfer (EFT) and process cancellation documents for Federal agencies that do not have their own disbursing authority.

Treasury Check Information System (TCIS)—TCIS records and reconciles the worldwide issuance and payment of U.S. Treasury checks. (For further information on TCIS, see the Web site at <http://www.fms.treas.gov/tcis>.)

Treasury Disbursing Office (TDO) Payments Application—TDO Payments is a module within the GWA System. This application replaces the RFC Agency Link. RFCs use this application to inform agencies that checks have been issued on their behalf. See the Web site at <http://www.fms.treas.gov/gwa/fact-sheet-tdo-payments.pdf>.)

U.S. Government Standard General Ledger (USSGL)—The USSGL provides a uniform chart of accounts for standardizing Federal agency accounting. For example, USSGL account 1010 is the FBWT account. The USSGL supports the preparation of external reports required by agencies. (For further information on the USSGL, see the Web site at <http://www.fms.treas.gov/ussgl>.)

Section 5130—Reconciliation of Agency USSGL FBWT Accounts

Agencies must post all transactions that affect FBWT and are reported on their SOTs to a corresponding USSGL account 1010 in their internal general ledger. Monthly, they must reconcile the USSGL account 1010 balances for each fund symbol with FMS's records (GWA Account Statement;

Expenditure Transactions Report; and Available, Unavailable, and Unappropriated Receipt Account Reports).

5130.10—Posting Agency Transactions to the USSGL

Agencies must post account transactions to the USSGL and must prepare an adjusted trial balance at least monthly to verify that debit and credit postings are equal and to validate the data. They also must ensure that the balance in the USSGL account 1010 for each fund symbol agrees with their internal supporting documents. Only authorized officials should approve adjustments to their agencies' fund balance.

5130.20—Reconciliation of USSGL Accounts With Treasury Fund Symbols

FMS posts appropriation warrants and nonexpenditure transfers to designated account symbols. After processing SOT and SOA data, FMS updates the reported account symbols in its central accounting system and in the GWA Account Statement. Agencies must compare their USSGL account 1010 transactions in their internal ledgers with the FMS furnished reports and must reconcile any differences. The Expenditure Account Summary reflects year-to-date balances and the current reporting period activity in an appropriation, trust, revolving, clearing, or deposit fund account. The Available Receipts Account Summary reflects year-to-date balances and current reporting period activity for collections made to available receipt accounts. The Unavailable Receipt Account Summary reflects year-to-date balances and current reporting period activity for collections made to unavailable receipt accounts.

5130.30—Reconciliation of USSGL Fund Balances With Supporting Documents

Agencies should use entry logs or other appropriate schedules for all verified collection, disbursement, and IPAC transactions reported on their SOTs and posted to their USSGL account 1010. At the end of each accounting month, an agency must verify that the amounts reflected on its supporting documentation agree with its postings to the USSGL account 1010.

Section 5135—Treasury's Central Reconciliation Processes

FMS has designed three major central reconciliation processes to support the reconciliation of USSGL fund balance accounts and the internal verification of ledgers that have supporting documentation. These reconciliation processes compare monthly cash receipt and disbursement transactions reported by Federal agencies to data reported by other entities, including FRBs, other financial institutions, and RFCs. These reconciliations ensure the accuracy and financial integrity of the Government's receipts and disbursements. They include:

- Deposits-in-transit reconciliation (SOD for Deposits).
- Undistributed reconciliation (SOD for Disbursements).
- Check issue reconciliation.

SODs are in GOALS II. Agencies must investigate all FMS-reported differences. They must initiate and/or report any necessary adjustments to their FBWT accounts and/or TAS. Agencies must reconcile these differences monthly.

5135.10—Reconciling SOD for Deposits

Section VII, Part B, of the *Fund Balance With Treasury Reconciliation Procedures*, on the Web site at <http://www.fms.treas.gov/tfm/vol1/supplements/supp-v1p2c510.html>, provides detailed instructions on reconciling the SOD for Deposits.

5135.10a—Agencies With Eight-Digit Agency Location Codes (ALCs)

Eight-digit ALCs distinguish agencies for which RFCs issue checks and disburse funds. These agencies report their net disbursements and deposits on the FMS 224. Refer to TFM Volume I, Part 2, Chapter 3300, for information on preparing and submitting the FMS 224. Agencies that submit an FMS 224 classify the deposit/debit voucher transactions to the TAS in Section I of the FMS 224. They report the total of deposit/debit voucher transactions in Section II, line 2, “DEDUCT: Collections Received This Month (Net) and Classified in Section I,” and in Section III, line 3, “DEDUCT: Deposits Presented or Mailed to Bank in:” by accounting month. Agencies also report all SF 215: Deposit Ticket, and SF 5515: Debit Voucher, data processed by FRBs and other financial institutions in this manner. The SF 5515 is used to adjust deposit data reported on the SF 215 and to report ACH payments made by the banks. CASHLINK II includes ACH payments for agencies.

FMS compares the total on the FMS 224 (Section III, line 3) with deposit/debit voucher data processed through CASHLINK II. It generates an FMS 6652 for deposit/debit voucher transactions for each ALC whenever there is a discrepancy. (See TFM Volume I, Part 2, Chapter 3300, Section 3365.) Also, agencies may call CAD for assistance in resolving these discrepancies (see the Contacts page). If previous reporting was incorrect, agencies correct discrepancies on their next FMS 224s.

5135.10b—Agencies With Four-Digit ALCs (NTDOs)

Agencies with their own disbursing authority (NTDOs) submit SOAs. (See TFM Volume I, Part 2, Chapter 3100, for U.S. Disbursing Officers’ Reporting Requirements.) NTDOs report the total of their deposit/debit voucher transactions on their SOAs (line 4.20, “Deposits Presented or Mailed to Bank”). FMS compares the amount of the deposits/debit vouchers reported by an agency on the SOA with the amounts on the SF 215/SF 5515 documents reported by the FRBs and other financial institutions, recorded in CASHLINK II. Financial institutions use the SF 5515 to adjust SF 215 deposits and to document DOs’ EFT payments. Although the DO EFT payment is a disbursement for the agency, that activity is netted on the SOA (line 4.20). Agencies receive an SOD for Deposits whenever there is a discrepancy between the bank data and the agency’s SOA report (line 4.20). (Also see TFM Volume I, Part 2, Chapter 3100, Section 3165.)

5135.20—Reconciling SOD for Disbursements (Undistributed)

Section VII, Part B, of the *Fund Balance With Treasury Reconciliation Procedures*, on the Web site at <http://www.fms.treas.gov/tfm/vol1/supplements/supp-v1p2c510.html>, provides detailed instructions on reconciling the SOD for Disbursements.

5135.20a—Agencies With Eight-Digit ALCs

Agencies that submit an FMS 224 classify their disbursement transactions in Section I of the FMS 224 to a TAS and, by accounting month, in Section II, line 1, “ADD: Payment Transactions (Net) Classified in Section I, Accomplished by Disbursing Office.” FMS compares the disbursement data reported on the

FMS 224 (Section II, line 1) with the following:

- Total disbursements reported by the RFC for that ALC via the GWA System TDO Payments module. (See TFM Volume I, Part 2, Chapter 3300, Section 3355.)
- IPAC transactions processed through GOALS II.

The TDO data includes check issue amounts and check cancellation items (SF 1098: Schedule of Canceled or Undelivered Checks). The interagency billing/collection activity is processed through IPAC, and IPAC provides the detail.

FMS matches the disbursement data using the amount and transaction accomplished date. When there are differences in disbursing transaction totals, FMS prepares an SOD for Disbursements in GOALS II. The agency must advise the RFC to make a correction if the difference is caused by an RFC error. It contacts the billing agency to request correction of IPAC errors. Also, agencies may call CAD for assistance in resolving these discrepancies (see the Contacts page). If previous reporting was incorrect, agencies correct discrepancies on their next FMS 224s.

5135.20b—Agencies With Four-Digit ALCs—NTDOs

NTDOs report IPAC interagency billing activity on the SOA (line 2.80, “IPAC Payments and Collections”). FMS compares the agency-reported IPAC totals with the IPAC schedules produced by GOALS II. If there are any discrepancies, FMS generates an SOD for Disbursements for the NTDO. NTDOs should access and review IPAC transactions regularly to verify that charges or credits made by a billing agency are correct. Because NTDOs issue their own checks, the SOD for Disbursements does not include NTDO check disbursement activity.

5135.30—Reconciling Check Issue Transactions

Check issue transmittals reported to Treasury through telecommunications are captured in TCIS (see TFM Volume I, Part 4, Chapter 6000, Section 6025, and TFM Volume I, Part 4, Chapter 6500). Monthly, FMS sends the Comparison of Check Issue—Detail report, under FMS letterhead, to the designated central office for reconciliation. Additionally, DOs receive letter notification of these differences at 2-, 4-, 6- and 8-month intervals.

When an issue amount reported to TCIS differs from the amount printed on the check presented for payment by an FRB, with no obvious signs of forgery, FMS adjusts the reported issue amount to agree with the amount printed on the check. This adjusting entry changes the issue amount recorded in TCIS. As a result of this action, TCIS generates an FMS 5206: Advice of Check Issue Discrepancy. FMS forwards the FMS 5206 along with a copy of the paid check to the DO.

If the DO identifies a discrepancy in its issue reporting to TCIS and an FMS 5206 is not received, the DO must notify the Check Reconciliation Branch (CRB) in writing to request a reporting adjustment. CRB will issue a Notification of Check Issue Correction—D.O. Requested for each adjusted check. The DO must forward all adjustment requests to CRB within a 1-year timeframe. Once a limited payability cancellation has occurred, CRB cannot process the requested adjustment.

FMS also provides a monthly listing of checks issued from TCIS's database, the TCIS 72 Report, to each NTDO and RFC headquarters office. The 72 Report identifies block numbers for checks processed. It includes the FMS 5206 adjustments initiated by Treasury and all adjustments requested by the DO. This report assists agencies in the reconciliation of unmatched items

identified on the Comparison of Check Issue—Detail report.

Section 5140—Reconciling Small Differences for Deposits

FMS continues to report monthly all discrepancies on the SOD sent to ALCs until those discrepancies are reconciled through adjustments or reporting. However, CAD prepares journal voucher entries to adjust small difference amounts of \$50 or less for deposit/debit voucher items that have been outstanding for 6 months. Agencies that reconcile their small difference amounts should advise CAD to exempt them from Treasury's small difference writeoff process.

Section 5145—Reconciling Budget Clearing Account Differences

FMS has reinstated the use of budget clearing accounts effective July 15, 2011. FPAs must strictly adhere to the guidance provided in TFM Volume I, Bulletin No. 2011-06, that supports FMS business practices and reconciliations. Agencies must reconcile budget clearing account balances on a monthly basis, as suspense account balances are subject to performance standards as outlined in this TFM. Direct questions regarding the proper use of suspense accounts to FMS's Budget Reports Division (see the Contacts page). Direct questions regarding the reporting and reconciliation of suspense accounts to CAD (see the Contacts page).

Section 5150—Available Reconciliation Tools

Agencies can access FMS's reconciliation data on-line. FMS encourages agencies to review transactions during the accounting month to minimize differences.

The following information is available on-line from GOALS II and is updated daily:

- IPAC data interagency transfers (TFM Volume I, Part 2, Chapter 3100, subsection 3175.20).
- SODs for receipts and disbursements (FMS 6652s).
- Support listing for CA\$HLINK II deposit/debit voucher and EFT payment information (SF 215 and SF 5515).
- Support listing for prior-month IPAC data.

The following information is available on-line from the GWA Account Statement and is updated daily:

- Expenditure, Available Receipts, Unavailable Receipts, and Unappropriated Receipts account data.
- RFCs check payment data through the TDO Payments module.

The deposit/debit voucher and DOs EFT payment information (SF 215 and SF 5515) processed by FRBs and financial institutions is available from CA\$HLINK II and is updated daily.

Section 5155—Agency Operating Procedures and Certifications

Failure to implement timely and effective reconciliation processes could:

- Increase the risks of fraud, waste, and mismanagement of funds.
- Affect the Government's ability to effectively monitor budget execution.
- Affect the ability to accurately measure the full cost of the Government's programs.

Therefore, an authorized agency official should review and sign the

monthly agency reconciliation documents. Agencies should make these documents available to auditors of agency financial statements and FMS upon request. For examples of these reconciliation documents, see the appendices to the *Fund Balance With Treasury Reconciliation Procedures*,

on the Web site at <http://www.fms.treas.gov/tfm/vol1/supplements/supp-v1p2c510.html>).

Also, agencies should reconcile FBWT accounts at least monthly. They should have written standard operating procedures to direct and document the correct reconciliation

process. See the *Fund Balance With Treasury Reconciliation Procedures*, for detailed generic operating procedures for reconciling FBWT accounts. Agencies should use these guidelines as a basis for tailoring procedures for their operations.

CONTACTS

Direct questions concerning this chapter to:

Cash Accounting Division
Cash Accounting and Reporting Directorate
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room 500E
Hyattsville, MD 20782
Telephone: 202-874-7752
Fax: 202-874-8887
Email: fund.balance@fms.treas.gov

Direct questions concerning the proper use of budget clearing accounts to:

Budget Reports Division
Financial and Budgetary Reports Directorate
Governmentwide Accounting
3700 East-West Highway, Room 518D
Hyattsville, MD 20782
Telephone: 202-874-8668
Fax: 202-874-9966
Email: budget.reports@fms.treas.gov

For further information on reconciling FBWT accounts, see <http://www.fms.treas.gov/fundbalance>.

Appendices Listing

Appendix No.	Title
1	Fund Balance With Treasury (FBWT) Reconciliation Points of Contact List
2	Common Problems and Solutions for Reconciling Fund Balance With Treasury (FBWT) Accounts

Fund Balance With Treasury (FBWT) Reconciliation Points of Contact List

Branch	Responsibility
Budget Reports Division Arlene Johnson, Director 202-874-9877 Email: Arlene.Johnson@fms.treas.gov	<ul style="list-style-type: none"> • Appropriation warrants • SF 1151: Nonexpenditure Transfer Authorization • Fund/account symbols
USSGL Advisory Division Katherine Winchester, Director 202-874-9963 Email: Katherine.Winchester@fms.treas.gov	<ul style="list-style-type: none"> • U.S. Government Standard General Ledger • TFM Transmittal Letter/Supplement No. S2, USSGL chart of accounts, definitions, and crosswalks
Cash Accounting Division Crystal Madison, Manager, Cash Analysis Branch 202-874-7752 Email: Crystal.Madison@fms.treas.gov	<ul style="list-style-type: none"> • Check issue reconciliation • FMS 6652 • GWA Account Statement • CA\$HLINK II adjustments • FMS 224/FMS 1220/SF 1221 • SF 1218/FMS 1219 • Eight-digit ALCs
Accounts Branch Cathie Blewitt, Manager 202-874-9779 Email: Cathie.Blewitt@fms.treas.gov	<ul style="list-style-type: none"> • Claims against the Check Forgery Insurance Fund • Transfer of reclamation, declination, limited payability cancellation credits, and charges to Federal program agencies • Accounting reports for check claims • Accounting problems related to check claim processing • Check storage/retrieval charges • Check claims IPAC and statement of difference issues
Check Reconciliation Branch Brent Weaver, Manager 202-874-8259 Email: Brent.Weaver@fms.treas.gov	<ul style="list-style-type: none"> • Treasury check paid data from FRBs reconciliation with issue data from DOs • FMS 5206 (Issue Adjustments) • FMS 5209 (Paid Adjustments) • Followup on delinquent check issue reporting to TCIS • Four-digit ALCs
Check Claims Branch Dawn Johns, Manager 202-874-8445 Email: Dawn.Johns@fms.treas.gov	<ul style="list-style-type: none"> • Check claims process • Requirements to submit a claim • Information on requests for copies of Government checks
Accounting and Data Management Division Tamara Whitaker, Director 202-874-6900 Email: Tamara.Whitaker@fms.treas.gov	<ul style="list-style-type: none"> • CA\$HLINK II • Fedwire

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Common Problems and Solutions for Reconciling Fund Balance With Treasury (FBWT) Accounts

At the close of each accounting month, each agency prepares an:

- FMS 224: Statement of Transactions (Classified According to Appropriation, Funds and Receipt Account; and Related Control Totals);

OR

- FMS 1219: Statement of Accountability, and FMS 1220: Statement of Transactions According to Appropriations, Funds and Receipt Accounts;

OR

- SF 1218: Statement of Accountability (Foreign Service Account), and SF 1221: Statement of Transactions According to Appropriations, Funds and Receipt Accounts (Foreign Service Account).

These reports provide information about the cash collections received for deposit and/or disbursement. If no transactions occurred, submit a “zero activity” report via CTA Module FMS 224, GOALS II, and Connect Direct. Refer to TFM Volume I, Part 2, Chapter 3100 or 3300, for detailed information on preparing the Statement of Accountability (SOA) or Statement of Transactions (SOT).

Reconciling the Statement of Differences (SOD) for Deposits (Deposit in Transit and Disbursing Officer Electronic Payments)

Agencies should maintain transaction logs as a part of their internal accounting system. The transaction log for deposits should contain detailed information that relates to the SF 215: Deposit Ticket, and the SF 5515: Debit Voucher. The totals of these logs for each month should agree with the totals reported on the agency’s SOT or SOA. For each month of reported activity, print out or prepare a schedule of all documents that support the amounts reported on the SOT or SOA. Compare the documents listed on the Department of the Treasury’s (Treasury’s) support listings to the documents listed on the agency transaction logs. Prepare a list of all unmatched items. The total of these items must agree with FMS 6652: Statement of Differences, for that audit month. Research each item on the unmatched listing. Initiate and/or report any necessary adjustments to resolve the discrepancy.

Common reasons for differences

Problem:	An item is on the agency listing but not on the Treasury support listing.
Solution:	One possible cause for this discrepancy is that the bank entered the wrong Agency Location Code (ALC) into CA\$HLINK II, or the bank failed to enter the document into CA\$HLINK II altogether. The Cash Accounting Division (CAD) can assist in identifying the status of the document. If the bank entered the document with an incorrect ALC number, the agency can correct the mistake in CA\$HLINK II. If the document was not entered into CA\$HLINK II, contact the bank to initiate the correction.
Problem:	An item is on the Treasury listing but not on the agency listing.
Solution:	If there is a copy of the document, report it on the next SOA or SOT as a prior-period adjustment. If there is no copy, contact the bank for clarification or notify CAD. The bank may have entered a wrong ALC.
Problem:	The agency reported the document in the wrong month.
Solution:	Adjust the amount to the correct month on the SOT (Section III) or SOA (Section II, Part B, columns 3 and 4).
Problem:	The bank reported the document in the wrong month.
Solution:	The agency or the bank can correct the mistake in CA\$HLINK II.
Problem:	An incorrect amount was reported on the Treasury support listing.
Solution:	Contact the bank for a correction.

Problem: The agency reported the incorrect amount.

Solution: Report the difference on the SOT or SOA.

Problem: The agency reported deposit activity as net disbursements.

Solution: Verify there is an offsetting difference on the SOD for Disbursements. On the SOT, adjust between Section II (lines 1 and 2) and Section III (lines 2 and 3). On the SOA, adjust between line 2.80 and 4.20. Be sure to use the appropriate accounting month.

Reconciling the SOD for Disbursements

Agencies With Eight-Digit ALCs

Obtain a copy of the Intra-governmental Payment and Collection (IPAC) support listing from GOALS II that lists all IPAC transactions for the month. Also, obtain a copy of the Governmentwide Accounting (GWA) Treasury Disbursing Office (TDO) Payments support listing with all agency payments made by the Regional Financial Center (RFC). These support listings appear on the GWA Account Statement or GOALS II. Agencies should have an internal schedule that supports the amount on their SOT each month for the specific audit month to be cleared. Compare the activity on these schedules to the activity reported to Treasury and listed on the IPAC and RFC support listings in GOALS II. Prepare a list of unmatched items. The total of this list must agree with the SOD. Research each item on the unmatched listing. Initiate and/or report any necessary adjustments to resolve the discrepancy.

Common reasons for differences

Problem: Treasury reported IPAC bills but the agency did not.

Solution: Refer to the IPAC contact list available from GOALS II. Based on the Disbursing Office (DO) symbol, obtain a contact name and phone number. (CAD can assist agencies in obtaining contact names and phone numbers.) Contact that billing agency for supporting documentation. If it is a legitimate bill, the agency reports it on its next SOT (Section I and Section II, line 1) as a prior-period adjustment. If it is not a legitimate bill, charge it back to the agency. The agency must report the bill and the chargeback on its SOT for the month accomplished.

Problem: The agency reported IPAC bills but Treasury did not.

Solution: Reverse the reporting on the agency's SOT. Contact the billing agency for more information.

Problem: The amount reported to Treasury by the RFC does not agree with the amount reported by the agency.

Solution: Contact the RFC to adjust its reporting error. If the agency posted the wrong amount, adjust the agency records and report the difference on the SOT.

Problem: An item is on the Treasury listing (TDO Payments) but not on the agency listing.

Solution: Contact the RFC for any missing schedules (SF 1098: Schedule of Canceled or Undelivered Checks, etc.). Report these schedules on the SOT (Section I and Section II, line 1) for the proper accounting month.

Problem: The agency reported deposit activity as net disbursements.

Solution: Verify that there is an offsetting difference on the SOD for Deposits. On the SOT, adjust between Section II (lines 1 and 2) and Section III (lines 2 and 3). Be sure to use the appropriate accounting month.

Agencies With Four-Digit ALCs

For SODs for Disbursements, obtain a copy of the IPAC support listing for the month the agency wants to reconcile. Also, obtain agency internal schedules that support the amounts reported on its SOA (Section I, Part A, line 2.80; and Section II, Part A, column 3) for the month the agency wants to reconcile. Compare the agency schedules to the IPAC support listing. Prepare a listing of all unmatched items. Research each item on the unmatched listing. Initiate and/or report any necessary adjustments to resolve the discrepancy.

Common reasons for differences

- Problem:** Treasury reported IPAC bills but the agency did not.
Solution: Refer to the IPAC contact list obtained from GOALS II. Based on the DO symbol, obtain a contact name and phone number from the list. (CAD can assist agencies in obtaining contact names and phone numbers.) Contact that billing agency for supporting documentation. If it is a legitimate bill, the agency reports it on its next SOA (Section I, line 2.80; and Section II, Part A, column 3) as a prior-period adjustment. Also report it on the agency's SOT. If it is not a legitimate bill, charge it back to the agency. Report both the bill and the chargeback on the agency's SOA for the month accomplished.
- Problem:** The agency reported IPAC bills but Treasury did not.
Solution: Reverse the amount from the agency's SOA and SOT. Contact the billing agency for more information.
- Problem:** The agency reported deposit activity as an IPAC transaction.
Solution: Verify that there is an offsetting difference on the SOD for Deposits. On the SOA, adjust between line 2.80 and line 4.20. Be sure to use the appropriate accounting month.

Reconciling Check Issue Differences

Each agency may receive monthly correspondence from CAD notifying the agency of differences in checks issued. Those differences are created as a result of FMS's automated comparison of the checks issued totals reported on the SOA (lines 2.10, 2.11, and 2.12) to the check issue amounts recorded in the Treasury Check Information System (TCIS).

Agencies should maintain transaction logs to support the checks issued amount reported on the SOA. This log should contain a list of all Treasury checks issued and reported on Level 8 magnetic tapes or through telecommunications. It also should list all issue adjustments received from the Check Reconciliation Branch (CRB) on an FMS 5206: Advice of Check Issue Discrepancy, or Notification of Check Issue Correction—D.O. Requested. Analyze the detail of the transaction log and prepare a listing of unmatched items. Research each item to determine the reason for the discrepancy.

Common reasons for differences

- Problem:** Treasury reported an FMS 5206 but the agency did not.
Solution: Contact Treasury's CRB if the agency has not received a copy of the FMS 5206. Report the valid FMS 5206 on the SOA (Section I, Part A, line 2.11) and SOT.
- Problem:** Void checks were reported on Level 8 magnetic tape with dollar amounts, or incorrect dollar amounts were discovered after limited payability credit.
Solution: If Treasury's Accounts Branch issued a limited payability cancellation credit through IPAC, report the credit on the SOT (Section I, Part A) and SOA (line 2.80). Then prepare and report a journal voucher to report the amount on the SOA (lines 2.12 and 4.10). Charge the account credited from the IPAC documents or SOT.

Problem: Checks discovered before receipt of limited payability cancellation credits are reported to TCIS for an incorrect dollar amount or for a dollar amount when they should have been reported as void checks.

Solution: If an FMS 5206 has not been received, notify CRB in writing and request an adjustment to the amount reported to TCIS. CRB will issue a Notification of Check Issue Correction—D.O. Requested for each adjusted check. Forward all issue adjustment requests to CRB within a 1-year timeframe. Once a limited payability cancellation has occurred, CRB cannot process the requested adjustment. (See the above solution for action required.)

Problem: The agency incorrectly reported checks on SF 1219 (line 2.10).

Solution: Report the difference between the SOA and the check issue transmittals reported to Treasury on Level 8 magnetic tapes or through telecommunications on the next SOA (line 2.12).

Problem: Treasury has not processed check issue transmittals reported on Level 8 magnetic tapes or through telecommunications.

Solution: Contact FMS's Platform Operations Division at 202-874-7700.

Problem: Treasury has not processed the SOA.

Solution: Contact the agency office that submits the SOA.

Reconciliation Tips

- Treasury has reinstated the Budget Clearing Account chargeback process. Agencies must reconcile budget clearing account balances monthly, as suspense account balances are subject to performance standards as outlined in Section 5145, Reconciling Budget Clearing Account Differences.
- Agencies report the sum total of Automated Standard Application for Payments (ASAP) transactions on the SOT (Section III) as a reduction in collection activity.
- Agencies report the sum total of Federal Agency Taxes on the SOT (Section III) as a reduction in collection activity.
- Treasury/FMS absorbs small deposit differences of \$50 or less after 6 months. This action clears an SOD for Deposits.
- Agencies can make CASHLINK II corrections. However, these adjustments are limited to ALC, voucher number, and voucher date. The bank must adjust dollar amounts.
- Correct between month differences by a date change adjustment reported by the bank or RFC or report with the same accounting date as the SOT or SOA.
- The SOD for Deposits reflects unmatched transactions for activity accomplished at a financial institution (for example, SF 215, SF 5515, ASAP, and Federal Agency Taxes). The SOD is based on the date the transaction is presented or mailed (voucher date).
- The SOD for Disbursements reflects unmatched transactions for IPAC, Electronic Data Interchange Payments and Collections, and RFC transactions (for example, SF 1166: Voucher and Schedule of Payments; SF 1098: Schedule of Canceled or Undelivered Checks, etc.). The SOD is based on the accomplished date recorded by Treasury.
- Reconcile differences. Do not adjust agency records to Treasury data. Do not make unsupported entries on the SOT or SOA.
- Training and reconciliation assistance is available from FMS's Treasury Agency Services on a reimbursable basis. Contact Treasury Agency Services at 202-874-9560.
- On-site visits are available. Contact CAD at 202-874-7980 or by email to fund.balance@fms.treas.gov.
- Every ALC has a point of contact in CAD to assist in reconciliation efforts. The office number is 202-874-7980; the fax number is 202-874-8887.