

Part 4A—Chapter 4000

REQUIREMENTS FOR NON-TREASURY DISBURSING OFFICERS (NTDOs)

This chapter addresses requirements for NTDOs.

Section 4010—Scope and Applicability

This chapter addresses applications and payment related processes that reside under the authority of the Department of the Treasury's (Treasury's) Financial Management Service (FMS), Payment Management, when payments are not processed by FMS. NTDOs must adhere to the letter and intent of the authorities, processes, and rules outlined in TFM Volume I, Part 4A, for the creation, issuance, and reporting of transactions.

Section 4015—Authority

31 U.S.C. § 3321(c)

Section 4020—Rules for Non-Treasury Disbursing Officer Report for Daily Disbursement Forecasting

Effective November 1, 2012, all NTDOs must report to Treasury **on a daily basis** their anticipated aggregate level of planned disbursements for each disbursing method [for example, wire, Automated Clearing House (ACH), check] for the following 5-day period. These reports are due to Treasury each business day by 2 p.m. eastern time. Each entity that performs its own disbursing should submit one consolidated report each day.

Each NTDO must submit a consolidated agency disbursement report no later than 2 p.m. eastern time each business day (effective November 1, 2012). FMS has prepared a template to standardize the reporting of this information. NTDOs can access the report template and instructions for completing the report at <https://www.fms.treas.gov/ntdo/index.jsp>.

FMS will review NTDO compliance and will report to NTDOs on the status of their compliance. FMS will provide assistance to NTDOs not in compliance or those requesting assistance with proper reporting.

4020.10—Rules Under Government Fiscal Crisis

In the event of a Government budget year transition or debt ceiling constraint, Treasury will invoke rules for the processing of payments that flow through the Federal Reserve Banks (FRBs) and debit the U.S. Treasury's General Account (TGA).

Rules to follow under a Government budget year transition or debt ceiling constraint include:

- An NTDO will only be able to send files to FRB ACH 1 business day in advance of the payment date. Depending on Treasury's cash position, when payment files get to the FRB 1 day in advance of the payment date they will be held. If Treasury

does not instruct the FRB to release the file by the end of the business day, then the file may be purged. In the event that a file is purged, the NTDO must have the ability to resubmit or to create a new payment file with a new payment day.

- Treasury may instruct the Federal Reserve to disable Fedwire capabilities for NTDOs depending on the available balances in the TGA. Treasury will work with NTDOs and the Federal Reserve regarding issuance of Fedwire payments.
- Treasury checks will be settled by the FRB based on instructions from Treasury.

Section 4025—Submission of Vouchers to DOs Other Than Treasury DOs

Agencies submit the original and one copy of the basic vouchers prepared on Government standard forms or on forms otherwise specifically authorized; and invoices, bills, or statements of account serving as basic vouchers, to the DO for payment processing. The DO records the payment data on both the original and the copy of the voucher. The DO submits the original voucher as accounting support for the payment transaction and retains the voucher copy for the accounting document files.

4025.10—Use of Invoices in Place of Vouchers

NTDOs are not required to use the Secure Payment System (SPS) for disbursements, subject to requirements set by the appropriate disbursing office. Vendors' invoices, bills, or statements of account may be used as basic vouchers, in place of the prescribed vouchers, in support of the agency's accounts and accountability statements, provided they show all the information required in Title 7 of the Government Accountability Office (GAO), *Policy and Procedures Manual for Guidance of Federal Agencies*.

Section 4030—Governmentwide Accounting

Before October 1, 2014, if agencies are not "CARS Reporters" because they do not report classification at initiation of the payment or through the Payment Information Repository (PIR,) then they will report payment disbursements to an appropriation on the:

- FMS 224: Statement of Transactions;
- OR
- 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;
- SF 1221: Statement of Transactions [According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account)].

See TFM Volume I, Part 2, Chapter 3200, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c320.txt> for additional information on reporting foreign currency payments.

4030.10a—Agencies Using Eight-Digit ALCs

Agencies using eight-digit ALCs report foreign currency disbursements to an appropriation on their FMS 224s.

4030.10b—Agencies Using Four-Digit ALCs

Agencies using four-digit ALCs do not report foreign currency disbursements on their FMS 224s. Instead, they report a charge to the agency appropriation indicated on the SF 1166: Voucher and Schedule of Payments, for these disbursements on an SF 1221. An agency receives confirmation of the disbursement of foreign currency payments and the amounts of the U.S. dollar equivalent of those payments. These reports include:

- The SF 1221, providing summary charges to agency appropriations for the amount of the U.S. dollar equivalent of the payments disbursed;

AND

- The Voucher Auditor's Detail Report, providing detailed information (including check number, amount, and issue date) on each payment disbursed.

For additional information on reporting, see TFM Volume I, Part 2, Chapter 3100, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c310.html>, and TFM Volume I, Part 2, Chapter 5100, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p2c510.html>.

After October 1, 2014, all agencies must use CARS applications and must submit the CARS Treasury Account Symbol (TAS)/Business Event Type Code (BETC) reporting classification of each payment.

All Federal agencies not using Treasury disbursing office services must submit disbursement related transaction information to CARS via PIR.

Agencies are encouraged to use a valid TAS/BETC combination and to subsequently reclassify when appropriate


in CARS. The Shared Accounting Module (SAM) Web site at <https://www.sam.fms.treas.gov/sampublic> provides FMS reference data for TAS/BETCs.

Section 4035—Payment Information Repository (PIR)

PIR is a payment reporting tool that supplies the latest information on disbursements and the detail of payment transactions for Federal agencies.

In December 2012, FMS will decommission CASHLINK II and users will split along business lines to see their payment and collection debits and credit data in the Collection Information Repository (CIR) formerly referred to as the Transaction Reporting System (TRS) and PIR. After CASHLINK II is decommissioned, agencies that disburse their payments through FRBs must access PIR to view all payment related debit vouchers and credit vouchers. See the FMS Web site at <http://www.fms.treas.gov/pir/index.html> for enrollment procedures for accessing PIR.

After October 1, 2014, PIR will be the vehicle for NTDOs to classify payments to CARS. NTDOs can begin reporting through PIR in January 2013. With the exception of transactions that are specifically identified by Treasury as not going through PIR, all NTDOs with payments, or other debit activities that affect the TGA, must report to Treasury payments and/or any returned payments through PIR.

NTDO agencies must submit GWA TAS/BETC reporting classification at initiation of the payment daily through PIR using the Standard Reporting Format (SRF) . The PIR will report NTDO payments to CARS.

Agencies that issue Treasury checks will no longer submit their check issues files using the current Treasury Check Information System (TCIS) format once they are fulltime users of PIR. NTDOs that issue checks and report them monthly on the check issues file to TCIS will move to daily

reporting of checks to PIR using the PIR SRF. PIR files containing check payments will be consumed by both PIR and TCIS. The requirements and rules for check issue reporting as outlined in the PIR SRF replace the requirements in TFM Volume I, Part 4, Chapter 6000, subsections 6020.10 through 6025.10, 6040.10, and 6045.10, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p4c600.html>. For information on submitting claims for nonreceipt of checks drawn on the U.S. Treasury, see TFM Volume I, Part 4, Chapter 7000, on the FMS Web site at <http://www.fms.treas.gov/tfm/vol1/v1p4c700.html>.

4035.10—Submission of Files

As outlined in the PIR SRF, agencies must submit the files to PIR 1 day after the date of payment. The “date of payment” is defined below for various methods of payment.

- **Check Payments**—The date of payment is the issue date of the check (the date inscribed on the check). Files containing check payments will be consumed by both PIR and TCIS. (For more information on TCIS, see the FMS Web site at <http://www.fms.treas.gov/tcis/questions.html>.) All validation messages for check payment files are communicated via the Transmittal Control and Disbursing Office Maintenance System.
- **ACH (original and return) Payments**—The date of payment is the settlement date of the ACH transaction, which is in the acknowledgement received from FedACH.
- **Wire and International (ITS.gov) Payments**—The date of payment is the value date specified in the payment request.

4035.20—PIR Standard Reporting Format (SRF)

Agencies use the PIR SRF to submit one or more files, each containing one or more batches. A batch is described below based on the method of payment.

- **ACH (original payment and returns), Wire, International (ITS.gov)**—All transactions that are accounted for with a single voucher (SF 5515/SF 215) should be included in a batch.
- **Check**—All checks issued with the same DO symbol and sequential contiguous serial numbers should be included in a batch. This represents the current issue file sent by NTDOs to TCIS.

Note: Agencies that do not submit payments with the TAS/BETC classified on the SRF 1 day following the date of payment will have their vouchers default in CARS to the default TAS/BETC defined in SAM for payment transactions. Then, the agency must reclassify the voucher in the CARS Classification Transaction Accountability (CTA) module. Agencies must clear the default account by the third workday after monthend or it negatively impacts the quarterly scorecard that is sent to agencies’ Chief Financial Officers.

Note: Only the Department of Defense may receive a waiver from the timely reporting of payment transactions when ships or active service units are operating under “brown-out” or “silent running” conditions, where nonmission critical transmissions are prohibited.

Section 4040—Delegated Disbursing Authority

In accordance with 31 U.S.C. § 3321(b), this section prescribes procedures and policies by which FMS delegates officers and employees of other Federal agencies with the authority to disburse public money. It is consistent with FMS’s continuing oversight over

agencies that are delegated disbursing authority.

This section does not pertain to Federal agencies that are granted authority to disburse public money by statute. See 31 U.S.C. § 3321(c).

4040.10—Standards for Delegating Disbursing Authority

FMS delegates disbursing authority in limited cases for purposes of “economy and efficiency,” consistent with the requirements of 31 U.S.C. § 3321(b). Thus, FMS approves an executive agency’s request for delegated disbursing authority only if, among other things:

- An agency requires a particular level of service for disbursing funds that FMS cannot provide;
- The delegation would be more efficient and cost effective to the Federal Government and the public;
- The agency’s needs preclude the cash management needs of the Treasury;

AND

- The requesting agency submits its request for delegated disbursing authority, in writing, to Treasury’s Chief Disbursing Officer (CDO). The request must be on agency letterhead and must be signed by the Head of the Agency or his or her designee. The letter must include adequate documentation of the agency’s business need for delegation and must provide assurance to Treasury that the agency, if the delegated disbursing authority, will maintain effective internal controls and will comply with pertinent security guidelines.

4040.20—Delegated Disbursing Authority Document

In those limited cases when FMS, in its sole discretion, determines that an agency has met the requirements to be

delegated disbursing authority, FMS executes a written Delegated Disbursing Authority Document. The Delegated Disbursing Authority Document sets forth specific terms, conditions, and limitations of the particular delegation.

FMS has the authority to amend the specific terms of the Delegated Disbursing Authority Document, as necessary and appropriate. Before FMS finalizes any amendment, it provides advance notice to the agency, in writing, setting forth the specific purpose and reasons for the proposed amendment. FMS gives the agency the opportunity to submit comments on any proposed amendment. However, FMS retains sole decisionmaking authority to finalize amendments to the Delegated Disbursing Authority Document.

4040.30—Authorities of Treasury's CDO

When Treasury's CDO delegates disbursing authority to an agency in accordance with 31 U.S.C. § 3321(b), the CDO:

- Maintains oversight authority over the disbursing function as demonstrated, in part, by the terms of this chapter. Consistent with this authority, the CDO retains the authority to revoke an agency's disbursing authority delegation.
- Has the right to require that the agency's operations be inspected and examined to ensure compliance with delegated disbursing authority requirements.
- Prescribes and approves procedures for disbursing functions as outlined in this section of the TFM; TFM Volume I, Part 4A, Chapter 2000, Section 2045, for agencies with authority to disburse imprest funds; and the *Agency Self-Certification Guide* on the FMS Web site at <http://www.fms.treas.gov/tfm/>

[voll/agency_self-certification_guide_v13.pdf](#)

- Requires agencies to obtain a third-party assessment of the need for the delegated authority;
- Requires agencies with delegated disbursing authority to submit immediately to the CDO any irregularity in their accounts involving such disbursement activity.

4040.40—Responsibilities and Liabilities of an Agency With Delegated Disbursing Authority

An agency that is delegated disbursing authority by the CDO under 31 U.S.C. § 3321(b) assumes significant responsibilities and liabilities, including but not limited to:

- Responsibilities and liabilities of a disbursing official and cashier as set forth under 31 U.S.C. § 3322, § 3325, and § 3528.
- Full accountability and liability for all disbursements issued under the delegation. The agency must not delegate the duties and functions related to the delegation to another party without consultation and prior written approval by the CDO.
- Reporting of all disbursements made under the delegation in the agency's payment accounting reports to FMS, using the appropriate agency accounting codes, as authorized by FMS. The agency must submit immediately to the CDO any irregularity in accounts involving disbursement activity. Furthermore, the agency must resolve any irregularities or discrepancies associated with such reports.
- Periodically obtaining the services of a third party to assess the need for the delegated authority. This agency report will be provided to Treasury.

In addition, an agency with delegated disbursing authority must practice

effective security and internal control measures as prescribed by FMS (in Treasury Directive No. 71-10, etc.), GAO, and the Office of Management and Budget (OMB).

4040.50—Oversight Requirements

4040.50a—Review and Self-Certification Reporting Requirements

Every 2 years, the agency with delegated disbursing authority must conduct a review of its disbursing operations to ensure compliance with the following:

- Requirements set out in any applicable Delegation of Disbursing Authority Document executed in accordance with subsection 4040.20;
- Pertinent statutory, regulatory, and TFM requirements;
- The Federal Managers' Financial Integrity Act of 1982 (FMFIA), Public Law No. 97-255 (31 U.S.C. § 3512);

AND

- The Federal Financial Management Improvement Act of 1996 (FFMIA), 31 U.S.C. § 3512, note.

Following such review, agencies must submit a self-certification report to FMS stating whether or not they comply with these requirements. FMS advises agencies of the due date of these reports and provides them with the self-certification template to be included in the report. To the extent that an agency cannot certify that it complies with a specific requirement, the report must document the agency's planned corrective action to achieve compliance within an identified timeframe.

With regard to FMFIA, the self-certification form focuses solely on FMFIA, Section 2 reports (internal controls) and Section 4 reports (financial management systems). See 31 U.S.C. § 3512(d)(2) and (d)(2)(B); also see OMB Circular Nos. A-123 and A-127 for further information on Section 2 and

Section 4 requirements. Specifically, an agency must self-certify that its Section 2 and Section 4 reports provide reasonable assurance that the agency is in compliance with FMFIA, Section 2 and Section 4 requirements. To the extent that an agency self-certifies “noncompliance” or “qualified assurance” with Section 2 and Section 4 requirements, it must identify all material weaknesses and corrective action plans to achieve compliance within an identified timeframe.

With regard to FFMIA, the self-certification form focuses solely on FFMIA, Section 803(a), which requires each agency to “implement and maintain financial management systems that comply substantially with Federal financial management systems requirements.” Specifically, the agency must certify that it complies with FFMIA, Section 803(a) requirements, if applicable, and that this determination has been verified by independent audit, as referenced under FFMIA, Section 803(b). See 31 U.S.C. § 3512, note. To the extent that an agency self-certifies “noncompliance” with Section 803(a), it must identify “resources, remedies, and intermediate target dates necessary to bring the agency’s financial management systems into substantial compliance” with Section 803(a). See FFMIA, Section 803(c)(3) discussing the requirement for a remediation plan to achieve compliance.

The self-certification form includes a checklist and appropriate space for the agency to provide information on corrective or remediation plans, if necessary. FMS provides guidance to agencies on format and procedures for submitting the self-certification report in the agency compliance self-certification guide at http://www.fms.treas.gov/tfm/vol1/agency_self-certification_guide_v13.pdf.

4040.50b—Risk Assessment

When an agency’s self-certification report indicates the agency is not in compliance with one or more stated

requirements, FMS, in its sole discretion, may determine it is necessary that a risk assessment of the agency’s disbursing system be conducted. In making such a determination, FMS may consider such factors as the status and utility of the corrective and remedial plans identified by the agency to achieve compliance. The risk assessment is intended to evaluate, among other things, agency-identified deficiencies or material weaknesses in financial management systems, operations, and accounting and reconciliation procedures that may adversely affect the agency’s disbursing performance. The agency develops, and submits to FMS, a plan for conducting the risk assessment. The plan must identify the party who will conduct the assessment. Risk assessments are conducted in accordance with FMS’s risk assessment guide or another guide that meets Treasury’s standards and is approved by FMS. At FMS’s discretion, agencies must provide FMS with a copy of their FMFIA, Section 2 and Section 4 reports; FFMIA, Section 803(a) reports; and other audit information as part of any risk assessment.

4040.50c—Failure To Submit Required Self-Certification Reports and Information Required by a Risk Assessment

If an agency does not comply with the review and self-certification reporting requirements provided under subsection 4040.50a, or does not respond to requests for information in connection with a risk assessment as provided under subsection 4040.50b, Treasury’s CDO notifies the agency, in writing, of a final date certain for complying with such requirements. The CDO reserves the right to revoke the agency’s disbursing authority delegation in accordance with subsection 4040.30, if the agency fails to respond adequately to the terms of this written notice by the indicated final date certain.

4040.60—Termination of Delegated Disbursing Authority

The CDO may terminate an agency’s delegation of disbursing authority if FMS determines, in its sole discretion, that:

- The risk assessment conducted under subsection 4040.50b warrants such action;
- The agency fails to respond adequately to the terms of the written notice from the CDO, referenced in subsection 4040.20;
- A third-party review indicates that the agency’s need for delegated authority no longer exists, referenced in subsection 4040.40;
- The agency fails to comply with any of the responsibilities and liabilities of an agency with delegated disbursing authority, including but not limited to, those responsibilities and liabilities listed under subsection 4040.40;

OR

- The agency fails to comply with the terms of the Delegated Disbursing Authority Document executed under the authority of subsection 4040.20.

In addition, the CDO periodically reviews whether the agency continues to meet the standards for delegation of disbursing authority as set forth under 31 U.S.C. § 3321(b) and subsection 4040.10. The CDO may terminate an agency’s delegation of disbursing authority when FMS determines, in its sole discretion, that the agency no longer meets such standards.

The CDO notifies the agency, in writing, that its delegation of disbursing authority is being terminated. Before any termination action is taken, FMS and the agency work together to resolve all outstanding questions and issues. If this effort is unsuccessful, FMS consults with the agency to determine an appropriate effective date for termination and the resumption of Treasury disbursement

services. In determining the effective termination date, FMS and the agency consider the mission of the agency and

the needs of its payees. If FMS and the agency cannot reach a mutual decision on the effective date for termination,

FMS determines the effective date and notifies the agency.

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