

# Reclamation Manual

## Directives and Standards

---

<b>Subject:</b>	Deposit of Cash Receipts
<b>Purpose:</b>	To document the Bureau of Reclamation's cash management objectives for the deposit of cash receipts. The benefit of this Directive and Standard (D&S) is that Reclamation employees will understand the cash receipt deposit procedures and that all deposits comply with the requirements of the Department of Interior Cash Management Handbook (CMH).
<b>Authority:</b>	The <a href="#">Department CMH, Chapter 4, Collections and Deposits</a> ; <a href="#">Treasury Financial Manual (TFM), Vol. I, Part 5, Chapter 4600</a> , <i>Treasury Automated Lockbox Network</i>
<b>Approving Official:</b>	Director, Management Services Office
<b>Contact:</b>	Finance and Accounting Division, Fiscal Services and Accounts Receivable Team (84-27712).

---

1. **Introduction.** The Department CMH provides the practices and techniques that accelerate and control collections, ensures prompt deposit of receipts, improves control over disbursement methods, and eliminates idle cash balances. It documents guidance and procedures to provide specifics on implementing the Department cash management to improve the Department's cash flow functions; describes opportunities to improve cash flow processes; raises the consciousness of financial managers about the time-value of money; and emphasizes the use of Electronic Funds Transfer (EFT) mechanisms for collecting receipts and making payments.
2. **Applicability.** This D&S is applicable to regional finance officers and designated collections officers.
3. **Definitions.**
  - A. **Automated Clearing House (ACH).** A central distribution and settlement point for transferring funds electronically between an originating depository financial institution and a receiving depository financial institution.
  - B. **Cash Management.** Practices and techniques that accelerate and control collections, ensure prompt deposit of receipts, improve control over disbursement methods, and eliminate idle cash balances.
  - C. **Collections Officer.** A Reclamation employee who is responsible for the collection and deposit of funds. Designation of the collection officer must be in writing by the appropriate authority in accordance with the Reclamation Manual [Delegations of Authority](#), paragraph 6.H.(4).

# Reclamation Manual

## Directives and Standards

---

- D. **Deposit.** For the purposes of this D&S, the term deposit refers to both over-the-counter visits to pre-approved financial institution as well as mailing to the Automated Lockbox Network (Lockbox) account.
- E. **EFT.** Electronic transfer funds systems, i.e., computers, magnetic tapes, automated teller machines, and telephones in lieu of issuing paper checks. These systems include ACH, Fedwire Deposit System (Fedwire), Fedline Payment System (Fedline), and point-of-sale terminals. In certain instances, EFT also includes credit card transactions.
- F. **Lockbox.** A collection and processing service financial institutions provide that accelerates the flow of funds to the Department of the Treasury's (Treasury) General Account. This service includes collecting the organization unit's mail from a specified post office box, sorting, totaling, and recording the payments, processing the items, making the deposits, and transferring the funds. Organization units will receive remittance data either by hard copy or via electronic format.
- (1) **Electronic Lockbox.** An electronic lockbox accommodates both paper remittances, as well as all types of electronic transactions.
  - (2) **Retail Lockbox.** A retail lockbox uses machine-readable documents for automated processing through optical character recognition equipment. It is best suited for low-to moderate-dollar, high-volume remittances.
  - (3) **Wholesale Lockbox.** A wholesale lockbox involves the manual processing of invoice documents and is best suited for high-dollar, low-volume remittances.
- G. **Responsibilities.** The finance officer is the sole designee within each bureau/office with the authority to collect and deposit funds to the credit of the Treasury. The appropriate authority may designate a Reclamation employee, in accordance with the Reclamation Manual [Delegations of Authority](#), paragraph 6.H.(4), as a collection officer with the responsibilities to collect and deposit funds.
5. **Requirements.**
- A. Reclamation employs the Lockbox mechanism for accelerating the deposit of cash receipts. Of the three types of Lockbox services available, Reclamation uses the electronic Lockbox which enables the remitter to provide payments through ACH, by wire transfer, or with a paper instrument (check, money order, bank draft, etc.).
  - B. Reclamation's objective is to promote the use of ACH or wire transfer to the extent possible and the mailing of paper instruments directly to the Lockbox. We must discourage customers from mailing or hand carrying remittances to a Reclamation office. Re-mailing to a finance officer or designated collection officer (rather than the Lockbox) must be a rare instance (as opposed to a routine practice).

# Reclamation Manual

## Directives and Standards

---

- C. We must deposit collections at a financial institution when the consolidation of receipts at a central location by a collection officer is more efficient than mailing on a daily basis from the mailroom to the Lockbox.
  
- D. Reclamation has obtained a waiver from Treasury permitting the deposit of accumulated cash (currency and coins) collections when the total reaches \$100. At a minimum, regardless of the amount of cash collections accumulated, Reclamation will make deposits by Thursday of each week (or the preceding day in the event of a Thursday holiday). If a deposit is made before Thursday of a given week, another deposit on Thursday is not necessary if receipts total less than \$100. This waiver does not apply to cash collections representing repayments of outstanding travel advances and cash collections for a Bill for Collection. Dunning notices and the addition of interest and penalties could be the result if Reclamation failed to deposit these in a timely manner.

## RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: \_\_\_\_\_

Release No. \_\_\_\_\_

Ensure all employees needing this information are provided a copy of this release.

### Reclamation Manual Release Number and Subject

### Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

### Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: \_\_\_\_\_

Date: \_\_\_\_\_