

## AGENT CASHIER PROCEDURES

- 1. REASON FOR ISSUE:** Attached is a total revision of VA Manual MP-4, Part I, Chapter 2, which has been divided into VA Directive 4010 and VA Handbook 4010.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook revises VA Agent Cashier Procedures to incorporate new cash management initiatives in accordance with the regulations issued by the Department of the Treasury.
- 3. RESPONSIBLE OFFICE:** Fiscal Policy Service (047GC), Office of the Deputy Assistant Secretary for Financial Management.
- 4. RELATED DIRECTIVE:** VA Directive 4010, Agent Cashier Policy.
- 5. RESCISSION:** MP-4, Part I, Chapter 2.

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## AGENT CASHIER PROCEDURES

### SECTION A. GENERAL

- 1. PURPOSE.** This handbook prescribes Agent Cashier procedures in accordance with the policy set forth in VA Directive 4010.

**2. RESPONSIBILITIES.** The Fiscal/Finance Officer has the overall responsibility for ensuring that the Agent Cashiers operate in accordance with the procedures set forth in this handbook.

### **3. SPACE AND EQUIPMENT**

a. The Agent Cashier will be assigned such office space as will afford proper protection and permit the duties to be performed without funds or valuable documents being made accessible to other employees, including Finance employees. Detailed specifications regarding security requirements for the Agent Cashier area are contained in VHA Supplement, MP-1, Part I, Appendix B. These security requirements, while contained in a publication applicable solely to VHA facilities, are recommended for application to all VA facilities maintaining a cashier operation, regardless of the departmental jurisdiction under which the facility is operated. A safe or vault which will afford adequate protection will be assigned to the Agent Cashier and the alternate Agent Cashier. Under no circumstances will funds other than those received by these employees in connection with their official duties be placed in the safe or vault. For proper protection of funds and documents for which the Agent Cashier, alternate Agent Cashier, and collection clerks are individually responsible, cash boxes, which can be locked, will be procured for each of these employees. The cash boxes will be provided with duplicate keys, one of which will be in the possession of each employee to whom a cash box has been assigned. The Fiscal/Finance Officer will assure that individual accountability is established for funds entrusted to each employee of the Agent Cashier Section.

b. To enable proper officials to open the Agent Cashier's safe and the cash boxes of the Agent Cashier and alternate Agent Cashier and collection clerks in an emergency situation, a copy of the combination to the safe, a key to the cashier's office and a key to each of the cash boxes will be kept in separate envelopes which will be sealed in such manner that they cannot be opened without detection. These envelopes will be dated and sealed in the presence of the Fiscal/Finance Officer and the Agent Cashier and will be signed by each of these officials. The envelopes will be kept in a safe or vault under the custody of the Director and will be opened only in the presence of the Director, or the Assistant Director, and the Fiscal/Finance Officer. These officials will be the only ones authorized to open the safe and cash boxes during the absence of the Agent Cashier, alternate Agent Cashier, or collection clerks. Should such an emergency occur, instructions outlined in paragraph 7 below must be strictly adhered to.

c. The combination to the Agent Cashier's safe will be changed immediately after the safe has been opened under an emergency condition described above. Also the combination and door lock will be changed at least once a year and at any time there is a change of incumbents in the position of Agent Cashier or the alternate. When the combination is changed, a sealed envelope will be prepared as indicated above. Changing of safe combinations will be accomplished so that the knowledge of the combination will be limited to the Agent Cashier and the alternate, if possible.

d. At hospitals and domiciliaries with fewer than 500 patients' active accounts, steel lockboxes must be provided for filing active account cards, VA Forms 10-1083 and 10-1083b, Patient's Account. At close of each business day, these steel boxes will be delivered to the Agent Cashier for storage in the safe. In no event will the cards be placed in the safe unless enclosed and locked in the box.

#### **4. CASH ADVANCE TO AGENT CASHIER**

a. The Agent Cashier Advance account will be limited to the minimum amount of cash required to meet the needs of the veteran population served by the facility. Other payment mechanisms such as third party drafts or Treasury checks should be used whenever possible. Employee travel funds should be obtained via Government issued Travel Charge cards. Travel advances should only be issued in emergency situations.

b. The appropriate amount of advance must be determined by the Fiscal/Finance Officer. The accountability reports will be monitored by the Austin Finance Center, Agent Cashier Accountability Section (0474B1), and the Financial Integrity Review Teams for compliance and possible adjustments. Special needs for cash should be discussed with the Agent Cashier Accountability Section for approval.

(1) To request to increase an advance an OF 211 (original and 4 copies) will be prepared in the usual manner by the Fiscal activity and forwarded to the above address. The Austin Finance Center (0474B1) will return three copies of the OF 211 to the requesting Fiscal activity indicating approval/disapproval. If the request is approved, the Fiscal activity will adjust their station accountability account to reflect the increase in the advance. The Austin Finance Center (0474B1) will be responsible for adjusting the agency level Agent Cashier advance and issuing a check to the Agent Cashier for the amount of the increase.

(2) To decrease an advance of funds an OF 211 (original and 4 copies) will be prepared to reflect the amount of the decrease. Funds will be immediately deposited as the only item on SF 215 to the station's suspense account 36F3875. The SF 215 Deposit Ticket will be identified as "Partial Return of Advance of Funds." One copy of the OF 211 will be attached to memo copy of the SF 215 and forwarded to the station's Accounting Section to record the deposit into suspense. After recording the deposit into suspense, the station will immediately transfer the deposited amount to station 104, suspense account 36F3875, by use of VA Form 4-4564, Transfer of Disbursing Authority (TDA). The station will then forward the original and three copies of the OF 211, with a copy of the SF 215 and the TDA reflecting the decrease to the Agent Cashier's advance of funds, to the Agent Cashier Accountability Section (0474B1), VA Finance Center, Austin, TX 78772 for recording. The station's accountability account must also be adjusted to reflect the decrease in the advance. The Austin Finance Center (0474B1) will be responsible for decreasing the agency level Agent Cashier advance.

c. Only one disbursing fund for cash payments and check-cashing purposes will be maintained at field facilities, and this fund will be advanced to the Agent Cashier. An exception to this general rule may be made in instances where two installations under the

jurisdiction of one Director are physically located at such a distance that it is not practicable to function with only one Agent Cashier and advance.

d. Funds advanced and cash collections may never be commingled. Cashier replenishments are to be accomplished electronically on each business day if necessary. To ensure that the Agent Cashier advance maintained is not in excess of the facility's actual cash needs, a review of a minimum of 3 months' cash disbursements will be performed at least every 90 days in conjunction with the unannounced audit of cash assets prescribed in paragraph 9. If the cashier advance is determined to be excessive, based upon the criteria described above, the advance will be appropriately reduced.

e. The Fiscal activity will maintain a detailed record by name and amount of advance for the Agent Cashier, alternate Agent Cashier, Imprest Fund Cashier or other authorized employees who receive cash from the Agent Cashier's fund. Entries in the subsidiary record will be made for increases or decreases in the authorized advance and for changes in Agent Cashiers and alternates.

f. When it becomes known that the position of Agent Cashier is to become vacant, the Director will select and appoint a replacement. The Fiscal/Finance Officer will process Agent Cashier appointments, changes, and revocations by submitting a copy of OF 211, Request for Change of Establishment of Imprest Fund, to the following address:

VA Finance Center

Reports and Reconciliation Division

Agent Cashier Accountability Section (0474B1)

P.O. Box 149975

Austin, TX 78714-9575

The original and all other copies will remain at the initiating facility for distribution and retention. (Refer to TFM Volume 1, Part 4, Section 3025.)

g. Before processing the OF 211 the Fiscal/Finance Officer should verify that the approving official signing the form has the delegated authority, through a signature on the FMS or TFS Form 2958, Delegation of Authority which has been approved by the Department of the Treasury. The instructions for filing TFS Form 2958 are covered in VA Handbook 4000. The approving official who signs the OF 211 cannot be the same official who audits the SF 1129, Cashier Reimbursement Voucher and/or Accountability Report. It should also be verified that the person being designated as a cashier does not have an active SF 210 Signature Card on file as a Certifying Officer, and all previous cashiers designated as active for the same fund have been revoked.

h. In effecting transfers between outgoing and incoming Agent Cashiers, direct transfer of all funds on hand in whatever form (uncashed advance or reimbursement checks and cash) will be made to the incoming cashier. The alternate's and Imprest Fund Cashier's advance will be recalled and verified as part of the incoming cashier's accountability. If all funds are fully accounted for the memorandum receipts held by the principal will be returned to them. If there is any discrepancy noted in the alternate's or Imprest Fund Cashier's funds this will be noted on the OF 1129, Reimbursement Voucher, prepared to record the transfer pending subsequent clearance action. After the transfer is completed, advances to the alternate and Imprest Fund Cashiers may be restored upon execution of a new receipt and will be reported thereafter by the cashier accepting custody. The funds will be counted in the presence of two disinterested persons, both of whom will be requested to verify the count. The incoming and outgoing cashiers and the two disinterested persons will sign the OF 1129 as evidence of the count. The outgoing cashier will prepare OF 1129 in his/her name and will complete the "Status of Funds" section. As part of the certification, the phrase "and has been transferred to (name of incoming cashier) as of this date," will be added. The incoming cashier will acknowledge receipt of the funds turned over to him/her by the previous cashier by inserting the following on the OF 1129, "Except as noted above I hereby accept accountability for this imprest fund of \$, Incoming Cashier." If the new Agent Cashier has not been designated before the outgoing Agent Cashier leaves, transfer of funds will be made to the alternate Agent Cashier, who will then be accountable for the advance until a new Agent Cashier is designated and accountability transferred accordingly. If neither a principal nor an alternate is available the funds must be returned to the Agent Cashier Accountability Section (0474B1) at the address given in paragraph f above.

## **5. LOSSES AND OVERAGES IN CASHIER ACCOUNT**

a. In the event of loss or theft of disbursing funds or other official funds, all facts will be immediately reported by the Austin Finance Center, Agent Cashier Accountability Section (0474B1), and to the nearest field offices of the United States Secret Service, the Federal Bureau of Investigation, and the Inspector General. If the loss resulted from the acceptance of counterfeit money and the Agent Cashier is able to determine the source thereof, appropriate adjustment of credit will be made for the collection item. If a depository detects a counterfeit bill in a station's deposits, it will forward the station a SF 5515, Debit Voucher, showing the amount of the counterfeit. The station will make the necessary adjustment, and carry the shortage in the control accounts, when affected, pending resolution. The amount of the counterfeit must be treated as a reduction in administrative collections and must not be reflected in the cashier's advance.

b. When a shortage occurs in the accounts of an Agent Cashier, an alternate, an Imprest Fund Cashier, a collection clerk, or a Personal Funds of Patients clerk, the Director will make a determination as to the fault or negligence of the accountable or responsible employee. If the employee is found to be at fault, restitution will be made immediately from personal funds.

c. When the loss is greater than \$200 and it is determined that the accountable or responsible employee was: (1) without fault or negligence, and (2) that such loss or deficiency occurred while such accountable or responsible employee was acting in the discharge of official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such employee, the Director will make a recommendation for personal relief under the provisions of Title 31, U.S. Code, Section 3527. The request for relief, accompanied by copies of all the investigative reports and employee statements, must be submitted to the Agent Cashier Accountability Section (0474B1) in Austin, TX. Requests for relief for losses over \$200 in the Personal Funds of Patients (PFOP) account will be forwarded to the Cash Management Policy Division (047G4) in Central Office with the appropriate documentation.

d. The Director of the Austin Finance Center (00/104), is delegated agency authority to rule on requests for relief of amounts less than \$3,000, or in any amount if the loss is of an administrative collection. Relief requests on greater amounts must be reported to the Deputy Assistant Secretary for Financial Management (047) with complete documentation, for referral to the General Accounting Office. (Refer to Title 7, GAO Policy and Procedures Manual, Chapter 8.) The station will be notified when relief has been granted and of the necessary procedures to adjust the accounts. The authority to adjudicate cases involving losses of less than \$200 has been delegated to the facility Director. A report should be retained at the facility and a copy sent to the Cash Management Policy Division (047G4) in Central Office for their files.

e. Until notified that relief has been granted or that restitution has been made, a shortage in the cashier's advance will be identified separately as a "Difference" in the "Status of Fund" section of OF 1129, and must be fully explained on the reverse. Losses other than in the advance will be carried in the control accounts until resolved. Any overage in the accounts of an Agent Cashier will be deposited in the General Fund Receipt Account 361060, Forfeitures of Unclaimed Money and Property. This deposit will be accomplished by the preparation of SF 215, Deposit Ticket.

**6. INFORMAL CASH ADVANCES BY CASHIER.** The Agent Cashier may advance funds to the following designated employees. A signed receipt will be obtained from the employee receiving the funds which will be retained by the Agent Cashier until an accounting is made for the advance.

- a. Alternate Agent cashier.
- b. Imprest Fund Cashier.
- c. Collection Clerks.
- d. Social Service Workers.
- e. Employees designated to make petty cash purchases.

f. Any employee designated by the Director to make an authorized expenditure in the interest of VA. (Petty cash procedures govern.)

## **7. FORESEEN AND UNFORESEEN CASHIER ABSENCES**

a. If the absence of the cashier is for 15 working days or less, the informal cash advance to the alternate will be increased to carry on normal disbursing functions. Upon return of the Agent Cashier to duty, the alternate will turn over all paid vouchers to the Agent Cashier and the informal advance will be reduced to actual need. If the foreseen absence of the Agent Cashier from duty is in excess of 15 working days, all funds on hand in whatever form will be transferred to the alternate. The Agent cashier will prepare an accounting on OF 1129 as outlined in paragraph 4. Upon the Agent Cashier's return to duty, the funds will be transferred back to the Agent Cashier using the same procedures as outlined herein.

b. Where the unforeseen absence of an Agent Cashier precludes the transfer of funds to an alternate in the normal manner, the following procedures will be followed

(1 ) A committee of three, consisting of the Director or Assistant Director, Fiscal/Finance Officer and alternate Agent Cashier will effect access to the Agent Cashier's records and funds. At VA Regional Office and Insurance Centers the Chief, Collections Unit may be a member of the committee.

(2) An accounting for the advance will be prepared on OF 1129 in the name of the Agent Cashier in the manner outlined in paragraph 4.

(3) A complete transfer of responsibility and accountability to the alternate Agent Cashier will be effected. The OF 1129 will be signed by each member of the committee.

c. If the Agent Cashier is not available for endorsement of reimbursement checks on hand payable to the cashier, and an emergency exists, the following procedure will be used:

(1) The checks will be endorsed as required in Section B, paragraph 10, include the phrase "Absence of Payee's Endorsement Waived, Dept. of Veterans Affairs," and deposited as the only item on SF 215 to the station suspense account 36F3875. A single VA Form 4-1027, Field Service Receipt - General will be prepared for the total amount deposited. The receipt will indicate the reason for the deposit and that checks are to be reissued in the name of the alternate cashier. The remitter will be the facility.

(2) A copy of the applicable OF 1129, Cashier Reimbursement Voucher and/or Accountability Report will be prepared in the name of the alternate cashier, and a copy of SF 215 and the original of VA Form 4-1027 will be attached and forwarded to accounting as a voucher for replenishment to the alternate cashier. A copy of the documents cited will be in the Agent Cashier's file.

d. In instances of an unforeseen absence of both the Agent Cashier and alternate the following procedures will be followed:

- (1) A committee of two consisting of the Director or Assistant Director, and the Fiscal/Finance Officer will effect access to the Agent Cashier's records and funds.
- (2) An accounting for the advance will be made as outlined in paragraph 4.
- (3) If the absences of the Agent Cashier and alternate are expected to be prolonged, a replacement for the alternate Agent Cashier will be designated.
- (4) In the interim, the Fiscal/Finance Officer or Assistant Fiscal/Finance Officer will accept and process all collections normally handled by the Agent Cashier.
- (5) Cash disbursements will not be made until either the return of the Agent Cashier and/or alternate or the newly designated alternate assumes the duties of the position.

e. Once each calendar year as outlined in paragraph 4, there will be a complete transfer of responsibility and accountability to the alternate Agent Cashier, normally for a period of at least 2 weeks. Such transfer is designed to improve internal control and provide training and experience to the alternate. Insofar as possible, this transfer should be arranged to coincide with any foreseen absence of the Agent Cashier.

## **8. CHECKS DELIVERED TO AGENT CASHIER**

a. Public Law 99-570 and 38 CFR Part 1, Section 1.710, ensures the delivery of benefits to individuals for whom no mailing address is available. Accordingly, all benefit checks and correspondence for beneficiaries who fail or refuse to provide a current mailing addresses to VA will be delivered to Agent Cashiers as follows: compensation, pension and survivors benefits to the Agent Cashier at the VA Regional Office which adjudicated the claim; educational benefits to the Agent Cashier of the facility closest to the educational institution or training establishment attended by the beneficiary. Retention will be 30 days. Unclaimed checks will be returned to the Department of the Treasury as outlined below, and the correspondence will be returned to the Regional Office or facility of jurisdiction.

b. The following procedures are applicable for processing returned U.S. Treasury checks for cancellation, for processing undeliverable or unnegotiated Treasury checks, for processing claims for nonreceipt, loss, theft, or destruction of Treasury checks, and for placement and removal of stop payments on Treasury checks

- (1) Treasury checks received at a VA facility will be delivered immediately to the Agent Cashier for disposition in accordance with the following instructions. If an individual returns a Treasury check in person, the Agent Cashier will prepare and issue in an original only, VA Form 4-5602, Receipt for Returned Treasury Check. Disposition action on returned checks should be as expeditious as possible, and in no case will a Treasury

check be held without disposition in excess of 30 days. Procedures relating to undistributed salary checks are covered in Section D, paragraph 1 of this handbook

(2) Returned Treasury checks initiated by the CP&E systems will be coded as to reason for return in accordance with MP-4, Part IV, Chapter 4, and forwarded without listing to the appropriate disbursing office where they will be automatically canceled through the Hines Finance Center CP&E system. In order to reduce overpayments, the Agent Cashier will expeditiously notify the Adjudication Division by internal memorandum whenever nonentitlement is the reason for return of the check.

(3) All other Treasury checks received at a VA facility which are appropriate for return to the Department of the Treasury will be scheduled on VA Form 1409, TRANSMITTAL-Checks Returned to Agent Cashier, and forwarded to the servicing disbursing office. VA facilities operating under the CALM system will prepare and distribute copies of VA Form 1409 in accordance with the provisions of MP-4, Part V. Checks received at the VA Finance Center in Austin will be forwarded without listing to Treasury.

c. If the VA facility in receipt of a check is the facility which was responsible for originally issuing that check, it will immediately be returned to the servicing Treasury disbursing office , as stated in paragraph d.

d. If it can be determined that another VA office was responsible for authorizing the check, VA Form 1409 will be prepared in triplicate. The original, together with the check and copies of any accompanying correspondence, will be forwarded to the servicing Treasury disbursing office. (Note: This is in Austin for all facilities under the CALM/FMS systems.) Copies will be forwarded to the VA facility responsible for authorizing the check, along with any accompanying correspondence. One copy of the VA Form 1409 will be retained.

e. If the office responsible for authorizing the check cannot be determined, VA Form 1409 will be prepared in duplicate. The original, together with the check, will be forwarded to the servicing Treasury disbursing office. (See note above.) One copy will be retained by the preparing facility.

f. Action taken in the disposition of checks or proceeds of checks will be contingent upon the availability of the check in question, the reason for the check's return or unavailability, the payee's entitlement or nonentitlement to the check proceeds, and other miscellaneous factors (e.g., payee allegation of nonreceipt). Following return transmittal of an available check on VA Form 1409 or following receipt of notice of action to be taken on an unavailable check, appropriate action as provided in the following instructions will be initiated by the VA facility which was responsible for authorizing the original check. For checks which originated through the CALM system, disposition action will be initiated by the Austin Finance Center.

g. Cancellation action is appropriate when it is determined that an original payee or the payee's estate is not entitled to the proceeds or a portion of the proceeds of a U.S. Treasury check.

h. Available check cancellation procedures will be followed when a check has been returned to a Treasury Disbursing Office by a VA facility or when notice has been received from a Disbursing Office that a check has been directly returned to the Disbursing Office. SF 1098, Schedule of Canceled or Undelivered Checks will be prepared by Treasury.

i. Requests for check tracers and unavailable check cancellations on checks originally issued through the CALM/FMS systems will be processed by the Austin Finance Center, Recertification Section (0473B1A) in accordance with MP-4, Part V, Chapter 12. The format for check tracer requests may be obtained from the above named office.

j. Check tracers, undeliverable checks and unavailable benefits checks or other check cancellations which were not originally issued through the CALM/FMS systems will be processed by the initiating office in accordance with MP-4, Part IV, Chapter VII.

k. Undeliverable checks originally issued through the CALM/FMS systems will be returned to the Treasury Disbursing Center in Austin, TX on VA Form 1409, Transmittal - Checks Returned to the Agent Cashier. Notification of the checks processed will be forwarded by the Disbursing Center to the Austin Finance Center, Canceled/Returned Checks Section (0473B1), on SF 1098, Schedule of Canceled or Undelivered Checks, for referral to the appropriate field facility.

l. Checks presented to the Agent Cashier that have exceeded the payability limit of one year, should be stamped "VOID", on the face of the check. A Receipt for Returned Treasury Check, VA Form 4-5602, should be issued to the claimant presenting the check. The voided check together with all accompanying documentation should be forwarded to the appropriate initiating office for processing in accordance with VBA Circular 20-92-12 on Limited Payability.

## **9. UNANNOUNCED AUDIT OF CASH ASSETS**

a. The Director or designee will ensure that an unannounced audit of the Agent Cashier's advance and undeposited collections is conducted at least every 90 days. However, additional audits may be prescribed as considered necessary. If the Agent Cashier has advanced funds to an Imprest Fund Cashier, the audit will include the Imprest Fund Cashier's account because the Agent Cashier is accountable for the funds advanced to the Imprest Fund Cashier. The audit will be performed by at least two station employees, skilled in fiscal or audit techniques, other than employees performing Agent Cashier functions. One of the employees, if possible, should be an employee outside the Fiscal activity, if possessing these qualifications. Care will be exercised to vary the scheduling dates and times of unannounced audits in a random manner, in order to prevent the establishment of a pattern of regularity, which would nullify the element of surprise. The

report by the auditors will include a statement concerning any careless practices or unwary working habits observed during the course of the audit and will be routed to the Director.

b. In verifying the Agent Cashier's cash balance, all collections received but not deposited will be considered in the verification of the balance. To accomplish this result, the activities of the Agent Cashier's Section will be suspended temporarily during the audit. The auditors will take over all cash, vouchers, and receipts to establish a cutoff, and all of these items will be considered as applicable to the period being audited. The audit will include a reconciliation between cash received in the mail and recorded in the registry log, and the cash receipts issued by the cashier since the last audit. After the cash has been counted and the numbers of the last receipts issued by each person in the section verified, receipts and sufficient cash will be released to carry on disbursing and collection activities.

c. The auditors will record all items on their worksheet, as hereinafter described, and will retain control over all items taken over during the verification of the cash. (No form will be provided or reproduced for this worksheet.) All unused field service receipts and counter receipts will be verified to determine continuity of numbers. The last number for each type of receipt received by the Accounting activity will be determined. The auditors will verify continuity of receipt numbers between those received by the Accounting activity and those unused on hand. Irregularities noted involving accountable receipts should be shown in the audit report and acted upon by the Chief of Finance since he or she is responsible for verifying the continuity of the numbers of all accountable receipts. The disposition of funds represented by these receipts will be established before the operation is considered balanced. In recording the cash count on the worksheet, separate totals will be developed for disbursing cash and collection cash as follows:

(1) To audit disbursing cash, the auditor will make separate entries for all accountable items on hand. Memorandum receipts for cash advanced to employees for petty cash purchases will be examined for validity and will be recorded separately from memorandum receipts for advances to Imprest Fund Cashiers, collection clerks and alternate Agent Cashiers. These items must be examined and the advance verified by physical count. All accountable items in possession of the Imprest Fund Cashier will also be clearly identified on the worksheets.

(2) Entries for receipted cash collections will consist of the amount and associated receipt numbers by type of receipt.

(3) Auditors will ensure that all collections (other than those awaiting disposition instructions and those destined for CARS and Hines) are properly receipted and deposited as part of that day's business. Collections that cannot be deposited that day will be listed and entered on a worksheet in sufficient detail to identify each collection. The worksheet will be retained as part of the supporting documentation of the audit performed and as a reference for future audits if required.

Note: Mail in original unopened envelopes, which may contain collections, may be omitted from the audit of collections.

(4) The last "AC" voucher number verified in the cash account will be listed on the worksheets as well as the numbers of the last receipts issued by each person.

(5) Intransit items will be completely verified by reviewing a Voucher and Schedule of Payments, SF 1166 or SF 1167 OCR, relating to the intransit vouchers submitted and the applicable deposit tickets. In those cases where intransit items are outstanding longer than the normal time required to obtain replenishment checks from the Disbursing Officer, the auditors will call the matter to the attention of the Fiscal Officer. The Fiscal Officer will verify the validity of intransit items by relating replenishment checks or electronic funds transfer (EFT) deposits as received by the Agent Cashier against the intransit items.

(6) The worksheet will be dated and signed by the auditors and filed in the Accounting activity. Before the start of the next audit, the auditors will obtain the worksheet and verify that the collections described in subparagraph (3) above have been properly receipted.

(7) Any irregularities disclosed by the auditors will be reported to the Fiscal/Finance Officer.

d. As part of the unannounced audit, a review of the last consecutive 3 month's cash disbursements will be performed to determine whether the level of the cashier advance maintained is appropriate, based upon actual cash needs. Monthly cash disbursements may readily be determined by reviewing the OF 1129, Reimbursement Vouchers, prepared by the Agent Cashier during the course of the time period, plus the SF 215, Deposit Tickets prepared during the same period for deposit and replenishment of accommodation exchange items. Upon computation of the month's cash disbursements, the propriety of the current cashier advance level will be determined based upon the criteria as outlined in paragraph 4. Appropriate action will be taken to reduce the amount of the cashier advance where it is found to be excessive. The results of this review will be documented and included as a part of the unannounced audit workpaper file.

e. Irregularities will be reported in accordance with the provisions of paragraph 5, as applicable. However, all losses, shortages and thefts regardless of amount, which are replenished by the cashier will be reported promptly to the Agent Cashier Accountability Section (0474B1), VA Finance Center in Austin, TX. A signed copy of the unannounced audit report, annotated to show the shortage has been made good by the cashier, will be used for this purpose.

## **SECTION B. COLLECTIONS**

### **1. RECEIPT OF COLLECTIONS**

a. All monies collected by field stations will be received, where practicable, by the Agent Cashier. When it is necessary that collections be received by officials other than the Agent Cashier, the amounts received and accepted will be delivered to the Agent Cashier on the business day during which the collections are received, except when circumstances make such action impractical. In this event, the delivery will be made no later than the business day following receipt.

b. Collections received via mail will be delivered by the mail unit directly to the Agent Cashier in the envelope in which received. The Agent Cashier will retain the envelope until the remittance is completely identified. In the case of collections subsequently identified as insurance items, the envelopes and any correspondence pertaining to the items will be attached to the copies of the applicable VA receipt forms and forwarded with VA Form 4-1551 to the appropriate VA insurance office. At facilities having insurance operations all insurance items normally are delivered to the Collections Unit. Any such items inadvertently received by the Agent Cashier will be hand-carried to the supervisor of the Mail Unit for delivery to the Collections Unit in the same manner as other "open mail." If the funds have been deposited in a Deposit Fund account and are subsequently identified as insurance items, the Accounting activity will prepare SF 1166 OCR for transfer and insert thereon the postmark dates of the remittances being transferred as well as other necessary data.

c. Unidentified payments received under the Medical Care Cost Recovery (MCCR) program should be secured in the cashier's office pending identification by the MCCR Unit. Only the accompanying documentation or copies of the checks should be forwarded to the MCCR Unit for identification purposes.

d. Donations in the form of cash or checks received by Chaplains will be turned over to the Agent Cashier immediately, if received during business hours. Donations received during non-business hours will be forwarded to the cashier as soon as possible on the next business day. The cashier will be instructed to deposit the monies into the General Post fund and will also be informed for what purpose the monies are to be earmarked. If the Chaplain does not inform the Cashier for what purpose the monies should be earmarked, the monies will be earmarked to support the activities of the facility's Chaplain Service.

d. The following funds received by certain designated employees of VA will not be delivered to, or handled by, the Agent Cashier:

(1) Funds furnished by volunteer organizations for the purpose of paying for insufficient postage on beneficiaries' incoming mail. This is not considered public money.

(2) Funds collected and received by Canteen activities will be handled in accordance with the provision of appropriate Canteen Service instructions.

(3) Funds, certified checks, cash, or U.S. Government bonds, received in sealed envelopes plainly marked to show connection with a sealed bid are not to be opened in advance of the date set for opening of bids.

## **2. FORMS OF REMITTANCES**

a. Remittances in the form of cash, checks, drafts, traveler's checks, express money orders, telegraph money orders, and post office money orders will be accepted. Collections may also be remitted by credit card in accordance with Section E. Personal checks for deposit in the Personal Funds of Patients account (36X6020) will not be accepted in excess of \$100. This limitation may be waived by the station's Director or designee if a determination has been made that the circumstances justify such action (i.e., where large personal checks are received for deposit to the PFOP account from guardians, etc.). Postage stamps will not be accepted. Except for loan guaranty remittances, a deferred credit period will be endorsed on each field service receipt covering a remittance submitted in the form of a personal check for deposit in the Personal Funds of Patients (PFOP) account, so that the credit will not be recorded until it has been paid by the bank on which it is drawn. This deferred credit period will ordinarily be 10 working days but will be longer if it appears probable that information regarding failure to collect would not reach the field station within the deferred credit period, such as when drawn on a bank out of the area. The exact period for which the credit is deferred will be shown by the following entry: "Credit deferred until (date)." Remitters will be requested to make payment by money orders, drafts, or checks payable to VA. However, guardians of incompetent beneficiaries in VA Medical Centers may be permitted to make checks, etc., payable to "Director, VA Medical Center, (City, State, Zip Code)."

b. The deferred credit period may be waived on remittances in the form of personal checks, when the station Director or designee so authorizes, based upon a determination that circumstances are sufficiently emergent to justify such action. Prior to such authorization, the station head or designee should ascertain the collectibility of the check by placing a telephone call or telegram to the bank upon which the check is drawn. Extreme care should be exercised in waiving deferred credit dates on personal checks because any shortage resulting from such waiver is the responsibility of the person authorizing the waiver, if collection cannot be effected from the remitter or patient.

c. A deferred credit period is not required in those cases where personal checks are received from custodians of patients' funds at other Federal hospitals for the credit of transferred patients.

d. A deferred credit period is not required in those cases where personal checks of VA employees are received in payment of Government indebtedness and the Fiscal Officer determines that the Government's interest is adequately protected.

## **3. GENERAL REMITTANCES**

a. A VA Form 4-1027, Field Service Receipt - General will be prepared in triplicate, for all remittances received at field stations as general collections, except for remittances covering VA portfolio loans and rental accounts when other than cash is received.

b. When the payee presents sufficient identifying information with a collection received at the cashier's window in person or via mail, the third copy of VA Form 4-1027 will be forwarded to the activity maintaining the account for credit.

c. When the payee does not present sufficient identifying information the procedures are as follows:

(1) The Agent Cashier will issue a field service receipt, and insert all the information except the appropriation or fund to be credited and the purpose.

(2) The third copy of the field service receipt will be forwarded to the activity maintaining the account for credit.

(3) The remittance and a duplicate of the receipt will be held in suspense.

(4) Upon receipt of the third copy of the field service receipt annotated with the necessary information from the activity maintaining the account, the duplicate copy of the receipt will be completed and processed.

(e) If the third copy of the receipt is not received by the Agent Cashier in time for compliance with depositing instructions contained in paragraph 12, the amount will be deposited in Deposit Fund account, symbol 36X6875, or the Clearing Account, symbol 36F3875, as appropriate.

d. The procedures for processing OF 1114, Bill for Collection are as follows:

(1) The Agent Cashier will receive from the voucher examining activity the OF 1114B, Collection Voucher. When the Agent Cashier receives the remittance from the debtor, a field service receipt, VA Form 4-1027 or 4-1028, as applicable, will be issued. The field service receipt will provide a reference to the bill number. If the remittance is in the full amount of the bill, the OF 1114B, together with a copy of the field service receipt will be forwarded to the Accounting activity. If the collection is in a partial amount, the amount of such collection will be noted on the reverse of the OF 1114B with a reference to the field service receipt number. A copy of the field service receipt will be forwarded to the Accounting activity and the OF 1114B will be retained by the Agent Cashier. When the final installment is collected the OF 1114B will be so noted and processed in the same manner as for a remittance in the full amount.

(2) When collection is received covering redemption of "Patients' Coupon Books," the original of OF 1114, with listing attached, will be forwarded to the Personal Fund of Patients clerk.

e. When the information available at the time a collection is received at field stations is insufficient to determine the collection account to which the deposit should be credited, the amount will be deposited in the appropriate suspense account. A letter will be prepared in duplicate at the same time the item is deposited, and the original will be forwarded to the remitter with the receipt.

f. Receipt of moneys for deposit to the credit of trust funds will be handled as general collections.

g. Where a field service receipt is issued for checks drawn on banks of foreign countries, the space provided for "Amount" on VA Form 4-1027 or VA Form 4-1028 will be left blank, and the amount in terms of foreign currency will be entered in the block normally reserved for deferred credit. Upon receipt of the accomplished copy of the deposit ticket, the Fiscal activity copy (yellow) of the field service receipt will be completed by posting the U.S. dollar value in the same space.

h. Title 38, Code of Federal Regulations, Section 1.526 provides that determination will be made when a fee will be charged an applicant to cover the furnishing of copies of records and papers. All remittances to cover such fees will be submitted to the Agent Cashier. A field service receipt will be prepared to cover all cash remittances in accordance with usual procedures. Check remittances received from insurance companies or individuals may be held by the Agent Cashier pending deposit, until advice is received from the activity responsible for furnishing copying services (Adjudication, Medical Administration, etc.), as to the final disposition to be made of the check. Prompt follow-up should be made by the cashier.

#### **4. REMITTANCES FOR LOAN GUARANTY COLLECTIONS**

a. Field facilities will be guided by the collection procedures of MP-4, Part I, Chapter 6, which contains mortgage loan accounting procedures under the Portfolio Loan System (PLS).

b. The Agent Cashier will receive all noncash remittances of a nonrecurring nature and will hold such remittances for safekeeping until advice of acceptability or rejection is received from the Loan Guaranty Division. However, if it can be determined that the remittances are proceeds from the sale of VA owned properties and not a payment for an existing loan, deposits will be made daily. A Field Service Receipt will be issued and attached to the closing package for immediate transmittal to the Loan Guaranty Division. Those items susceptible to prompt determination of acceptability from finance records, such as payments on veterans' liability accounts or tax and insurance deposits, may be processed for deposit immediately. Items representing earnest money receipts, insurance loss proceeds, mineral royalties, application fees, and those for other purposes not promptly determinable in Finance will be reported to the Loan Guaranty Division for advice as to disposition. VA Form 4-6481, Notice of Mortgage Loan Remittance, will be used for this purpose. This form has been designed to provide space for reporting a complete description of the remittance that would be required in transactions referred to

in M26-3, paragraphs 2.10 and 2.13. However, for the more common transactions only minimum identifying information need be entered. Numbers in sequence will be assigned each notice in block 1 commencing with number 1 at the start of each fiscal year. The notice will be prepared in an original and sufficient copies to permit furnishing a copy for the Loan Guaranty Division files when determined necessary. The original (with Loan Guaranty Division copy as required) will be forwarded to the Loan Guaranty Division. A copy will be retained by the Agent Cashier in suspense pending disposition. The suspense items will be reviewed periodically, at which time verification will be made that the remittances are on hand and any items outstanding more than 30 days must be called to the attention of the Loan Guaranty Division. Upon return of the original copy giving the deposit instructions from the Loan Guaranty Division, the upper portion of the suspense copy will be used as a collection posting medium and assigned a control number within the current series. The original copy returned by the Loan Guaranty Division will be noted in block 14 to indicate disposition accomplished, and filed in a completed file until disposal is accomplished in accordance with the appropriate instructions. Tenders of cash payment for the above purposes ordinarily will not be accepted without advice from the Loan Guaranty Division. In situations where prior advice from that division cannot be obtained and the Fiscal Officer deems it advisable to accept the cash tendered, a field service receipt will be issued in accordance with usual procedures and the Loan Guaranty Division requested to furnish disposition instructions. Earnest money deposits accompanying a sales offer tendered directly to the Loan Guaranty Division need not be delivered to the Agent Cashier if the offer is clearly unacceptable and the deposit is returned immediately.

c. Uncollectible remittances pertaining to the mortgage loan program, other than those applicable to the PLS system, will be reported to the Loan Guaranty Division. Upon receipt of a replacement remittance which is acceptable, the uncollectible check will be returned to the remitter, by the Agent Cashier. The Loan Guaranty Division will be promptly notified by a memorandum (or a copy of the letter to the borrower) that an acceptable replacement remittance has been received. One redeposit may be made of a check which has been returned as uncollectible due to insufficient funds, when the station head or designee has ascertained that there is reasonable likelihood the check will be honored. Where the uncollectible check is not disposed of under the foregoing, it will be held until notification by Loan Guaranty Division as to the desired disposition.

## **5. RECEIPTS - PERSONAL FUNDS OF PATIENTS**

a. Funds received for a patient will be deposited to the credit of the United States Treasury in the account of the Personal Funds of Patients, VA. These funds will be receipted for on VA Form 4-1028, Field Service Receipt - Patients Funds. The receipt will indicate the specific purpose or limitation fixed by the remitter.

b. Remittances received from other than Government sources for deposit to the account of a deceased patient will be returned to the remitter. Government checks will be returned to the issuing office. However, when the check includes a remittance for another living

veteran, the check will be deposited in the usual manner and the station will then dispose of the funds for the deceased veteran as outlined in VA Handbook 4220.

c. Where a VA Medical Center or VA Medical and Regional Office Center is receiving recurring benefit payments in behalf of veterans, a request may be made to have such payments consolidated into one check, payable to the Director. Such requests as well as requests for subsequent additions should be in letter form and made to the Regional Office activity having jurisdiction over the veterans' claim folders. If this is not known, the request should be sent to the Regional Office activity having jurisdiction over the area in which the medical facility is located. All requests should be directed to the Fiscal Officer at the Hines Finance Center (201) and should include the name and address of the consolidated payee, full name of the veteran, together with social security or claim number.

d. Deletion requests should contain the name and C-number as well as the residence or forwarding address in the case of a discharged competent veteran. Requests will not be made to remove the name of a discharged incompetent veteran. Such a discharge will involve a change in fiduciary, which necessitates Regional Office adjudicative action.

e. The Division of Disbursement will issue the consolidated check, and the Hines Finance Center will furnish the payee a listing showing the individual patients and the amounts to be credited to their accounts. This listing will be used as the posting medium by the patients funds clerk.

f. If the mailing address of the medical facility is changed, the Regional Office will be notified by letter, giving the name and both old and new address of the consolidated payee.

g. Nonambulatory patients and competent patients whose locations are so remote that in the judgment of the Director it would be inconvenient for them to go to the office of the Agent Cashier, may endorse checks for deposit and send them to the Agent Cashier in sealed envelopes. The form of endorsement will be as follows:

For deposit only to the account of \_\_\_\_\_

name

in Personal Funds of Patients, VA \_\_\_\_\_

signature of depositor

## **6. REGIONAL OFFICE COLLECTIONS**

a. Prior to depositing collections for credit to the Hines Finance Center, it should be ascertained that the pertinent receivables exist or will be established in the master record before collection transactions are processed by the computer. In addition, prior to

processing collections, it should be ascertained which accounts are also in the Centralized Accounts Receivable System (CARS), as only cash collections on CARS accounts will be deposited for credit to the Hines Finance Center. Noncash items, bank drafts, cashier's checks, money orders and personal checks received on CARS accounts will be processed in accordance with procedures outlined as follows:

b. A separate series of VA Forms 4-1027, Field Service Receipt - General, may be used for collections which are creditable to receivable accounts maintained at the Hines Finance Center, if the volume of such collections warrants. A separate series may also be used for CP&E systems. If a receipt is prepared from a series other than intended for this purpose, the receipt will not be voided on this basis. It will be included and listed on the appropriate SF 215 for credit to the station which is to receive the credit.

c. All required identification data including the file claim number, payee number, file designation ("M" for C&P and "V" for education system), name of beneficiary (if other than the remitter), deduction code, class and reference number will be completed on VA Form 4-1027 by the Agent Cashier to the extent available at the time the receipt is prepared. Copy 2 of the VA Form 4-1027 will then be forwarded to the Operations activity and copy 3 will be retained pending return of copy 2 to the Agent Cashier. If the remittance is a personal check made payable to VA, the original (copy 1) of the receipt will also be retained by the Agent Cashier, when it has not been furnished the remitter, pending return of copy 2.

d. Upon return of the receipts from the Operations activity, actions will be taken as indicated by the annotation as follows:

(1) If an overpayment is received for a debt that has been liquidated and the original copy of the receipt is available and the remittance is a personal check made payable to VA, the receipt will be voided. The check will be returned to the remitter with an explanation as to the reason for the return. If the original (copy 1) of the receipt is not available, a deferred credit period will be endorsed on copy 2 of the receipt. These checks, together with any remittances that are not personal checks made payable to VA, will be deposited to the credit of the local station in 36X6875, Suspense, VA, by including them on an SF 215 containing other local deposits. Note: The amount is to be refunded after the expiration of any deferred credit period, unless the remittance is uncollectible.

(2) If an overpayment is received for a debt that has been liquidated and the remittance is not a personal check made payable to VA, it will be deposited to the credit of the local station in 36X6875, Suspense, VA, and included on an SF 215 containing other local deposits. Note: These remittances are to be refunded as soon as practicable.

(3) Undetermined remittances will be deposited to the credit of the local station in 36F3875, VA Budget Clearing Account (Suspense), by including them on an SF 215 containing other local deposits. Note: The purpose of these remittances will be determined and disposition of the amounts will be accomplished accordingly.

(4) Other remittances, where copy 2 of the receipts have been reviewed, completed and initialed for input to the CP&E systems, will be credited to the Hines Finance Center 36F3875, VA Budget Clearing Account (Suspense). A separate SF 215 will be prepared for each CP&E system. Those applicable to the C&P system may be identified by the letter "M" reflected in the file designation block. Those for the education system may be identified by the letter "V". The deposit number, the amount shown in item (2) and date shown below the authorized signature, will be underlined in red on the accomplished copy of the SF 215. The file designation ("M" or "V") will be inserted near the top of this copy of the SF 215. Copy 2 of the applicable field service receipt will be attached to the accomplished copy of the SF 215 and forwarded to the input activity.

e. A debit voucher (SF Form 5504) received by the depositing station will be noted to reflect the appropriate name and file number and, together with the supporting VA Form 4-6694, Fiscal Transaction Code Sheet, will be forwarded to the input activity.

f. CARS receivables should be processed as follows:

(1) Cash remittances received at Regional Offices for a receivable established in CARS will be accepted by the Agent Cashier and processed in accordance with the provisions outlined in MP-4, Part IV, Chapter 5.

(2) Remittances received at the Regional Offices for CARS accounts in the form of personal checks, bank drafts, cashier's checks and money orders will be transmitted to CARS in accordance with subparagraph g below for furthering processing.

(3) When payroll deductions are made from an employee's account to be applied against an account receivable, the regional office will prepare the required 08A input transaction to apply the deductions to the proper account at the Hines Finance Center. This 08A input to Hines will be made immediately following receipt of the payroll deduction from the Austin Finance Center.

g. Transmittal Schedules should be prepared as follows:

(1) Each workday in which noncash collections (personal checks, bank drafts, etc.) pertaining to receivable accounts maintained in the CARS system are received at the field station, four copies of VA Form 4-5216, Transmittal Schedule of Centralized Receivable Collections - CARS, will be prepared by the Agent Cashier as follows:

Station Number

Code two-digit VA station number

Transmittal Number

Code appropriate station transmittal number

Name and Location of Station	Enter name, city and State of station
Field Station Receipt Numbers	Code field service receipt numbers if applicable
File/Claim Number	Code file/claim number
Payee Number	Code payee number if known
Deduction Code and Class	Code receivable and deduction code and class
Name of Debtor	Enter name of debtor, first name first, middle initial, surname
Amount Received	Enter total amount received for credit to the CARS account receivable
Original Receipt Date	Code six digits for month, day, year collection came under VA control

(2) The Agent Cashier will take an adding-machine tape of the "Amount Received" column and transcribe to the "Total" line, after which the collections will be summarized by number and amount and transcribed to the fields entitled "Summary of Collections by Tape." The Agent Cashier will sign and date the form in the field entitled "Forwarded by."

(3) A separate series of identification numbers beginning with "1" each fiscal year will be assigned to VA Forms 4-5216. The identification numbers will be prefixed by the two-digit station number of the office of jurisdiction. For example, the first transmittal for a fiscal year by station 29 will be shown as 29-001 and the second as 29-002, etc. All copies of VA Form 4-5216 will be signed by the Agent Cashier. The last transmittal for fiscal year will be annotated "Last transmittal for fiscal year" (show applicable fiscal year, e.g., "93").

(4) A single copy of VA Form 4-1011, Record of Shipment of Valuables, will be prepared by the Agent Cashier for each shipment of remittances sent to the VA Regional Office and Insurance Center (VARO&IC), St. Paul.

(5) The remittances listed on the transmittal schedule (original and two copies of VA Form 4-5216) will be enclosed in a heavy manila envelope or wrapping. The package will be securely sealed in the presence of the two responsible employees who signed the VA Form 4-1011. Sealing wax will not be used.

(6) The package will then be dispatched, via registered or certified mail as applicable, to the Agent Cashier at the VARO&IC in St. Paul. The assigned registered mail number or certified mail number will be entered on the VA Form 4-1011 in the block entitled "Registered Mail Number." The package will be addressed as follows:

Agent Cashier (243A)

VA Regional Office and Insurance Center

Federal Building, Fort Snelling

St. Paul, Minnesota 55111

**DO NOT OPEN IN THE MAIL ROOM**

(7) The fourth copy of the VA Form 4-5216 will be retained by the field station's Agent Cashier and filed in schedule number order pending return of the receipted third copy. When this has been accomplished the fourth copy will be forwarded to the Accounting section for posting.

## **7. INSURANCE COLLECTIONS AT FIELD STATIONS**

a. Directors will exert every effort to reduce to the minimum the number of insurance collections made by Agent Cashiers. Although remittances so tendered will not be refused, it should be urged on the remitter that premium notices and return envelopes be used and the remittance sent by mail to the appropriate VA center with an insurance activity. To effect this purpose, the "Notice," VA Form 4-4380, will be furnished to the remitter. The receipt of premium remittances by Agent Cashiers should normally be necessary only in cases of hospitalized and domiciled veterans.

b. All insurance remittances received at field stations other than insurance offices will be routed to the Agent Cashier. At insurance offices they will be routed to the Collections Unit. Enclosures and envelopes will be transmitted with the remittances.

c. A VA Form 4-367, Counter Receipt - Government Life Insurance, will be issued for each remittance received. The remitter's copy will be furnished only for cash or when a receipt is specifically requested. If the remittance is accompanied by an application which

requires a physical examination, the application will be noted "Examination Pending" in the space provided for the name of the doctor. Information pertaining to the remittance; date, amount and receipt number, will be included on the bottom of the application which will be returned to the applicant. The remittances will be held until the end of the day when they will be prepared for shipment to the appropriate VA center.

d. Insurance collections will be scheduled by the Agent Cashier on VA Form 4-1551, Transmittal Schedule of Insurance Collections, in triplicate as follows:

(1) A single series of numbers beginning with "1" on the first workday of each fiscal year, prefixed by the number of the field station will be assigned. A separate transmittal will be used for each shipment.

(2) Only the first and last receipt numbers will be entered on the form with the total amount of all receipts shown in the total block. Voided or missing receipt numbers as well as those forwarded to the other VA center will be indicated. If there is a break in the series of receipt numbers, the first and last numbers in each series will be shown.

e. Remittances, together with the original and duplicate copy of VA Form 4-1551, the two applicable copies of VA Form 4-367, premium notices, and all correspondence securely attached to the envelope in which received, will be forwarded to the appropriate VA center. Remittances related to an insured with a USGLI number (K policy prefix) will be sent to the Philadelphia VA Regional Office and Insurance Center. Unless contrary to other positive information, all remittances for addresses west of the Mississippi River, including the entire State of Minnesota, will be sent to the St. Paul VA Regional Office and Insurance Center. All items for addresses east of the Mississippi River and collections from the Manila Regional Office will be sent to the Philadelphia VARO&IC, P.O. Box 8079, Philadelphia, Pennsylvania 19101.

f. The third copy of the VA Form 4-1551 will be receipted by the VA Center and returned to the field station. If this is not received at the station within 10 days, the Fiscal activity will initiate follow-up.

## **8. EXAMINATION OF REMITTANCES**

a. Remittances, such as checks, drafts, etc., will be examined for omissions and discrepancies before deposit.

b. In general, unsigned checks, drafts, etc., will be returned to the remitter. When the check is drawn payable to the order of the remitter and has not been endorsed, it will be returned for such endorsement. No check, draft, etc., will be accepted unless so drawn or endorsed that it may be collected. However, checks, drafts, etc., received for insurance items, will be forwarded to the appropriate Insurance activity as received, regardless of manner drawn or endorsed.

c. Checks received with the name of the payee omitted will, after the purpose thereof has been determined, be completed by inserting the words, "Department of Veterans Affairs." If either the script or the numerical amount is omitted, the amount omitted will be inserted to complete the check for deposit purposes. When a check signed in blank is received with a request that the amount due be supplied, the Agent Cashier will ascertain the correct amount and complete the check. Checks received with the date omitted will have the current date supplied.

d. Where there is a difference of less than \$1 between the amount in script and the amount in numerals on the face of a check or draft, the script amount will control. However, where the "cents" are omitted from the script portion of the check but are shown in numerals, the check will be presented for collection of the amount shown in numerals, provided reference to the records establishes that as the correct amount due. The Agent Cashier will indicate on face of such checks, by use of rubber stamp, the amount for which the check is deposited. This stamp will read as follows: "This check deposited for collection in the amount of \$\_\_\_\_\_," followed by the name and title of the Agent Cashier. This stamp will be used on all collections except remittances forwarded to an Insurance activity for deposit.

e. If a check is received bearing a conditional endorsement, the check may not be deposited unless it can be definitely ascertained that the condition in the endorsement is fulfilled by the payment.

f. If a check is tendered in support of an offer to compromise an existing indebtedness, the check will not be deposited prior to a decision to accept the offer. The compromise offer is often included as a stipulation on the check itself, or it may be contained in accompanying correspondence. In either event the direct remittance relating to a compromise offer will not be deposited but will be held for safekeeping until advice of acceptability or rejection is received. A photocopy of the check, including the compromise stipulation, if any, on the check and any pertinent correspondence will be referred under cover of a locally imposed control to the Chief of the Fiscal activity, or to the Chief of the Finance and Centralized Accounts Receivable Division at the VARO&IC in St. Paul, for a decision as to the acceptance or rejection of the offer, in accordance with the requirements of MP-4, Part I, Chapter 7.

(1) Copies of the locally controlled referral documents and the related checks will be held by the Agent Cashier for safekeeping. When the item has not been disposed of within 30 days following referral (45 days for referrals to the Chief, Finance and CARS Division, in St. Paul), the Agent Cashier will pursue follow-up action to ensure timely disposition.

(2) If the offer is rejected, the check will be returned to the debtor unless the debtor has given prior indication of consent to apply the amount of the check against the indebtedness.

(3) If the check is inadvertently deposited, before the decision on the acceptance of the compromise has been rendered by an authorized element, it would not be binding upon VA. Therefore, the amount of the check would have to be refunded.

## **9. RECEIPTS**

a. The Agent Cashier will prepare a receipt for all remittances received, except those covering VA portfolio loans and rental accounts when other than cash is received, and for collections by payroll deduction. However, the remitter's copy will not be furnished to the remitter except in cases involving a cash remittance, or interest and administrative charges covered in MP-4, Part I, Chapter 7, or when specifically requested by the remitter. When the original receipt is not furnished to the remitter it will be destroyed. The following prenumbered receipt forms will be used in receipting for the classes of collections indicated:

(1) VA Form 4-367, Counter Receipt - Government Life Insurance.

(2) VA Form 4-1028, Field Service Receipt - Patients Funds.

(3) VA Form 4-1027, Field Service Receipt - General.

b. The receipt forms will be used in numerical order. Unless specifically provided for elsewhere, no remittance will be receipted for in a manner other than by issuance of the prescribed form of prenumbered receipt. Each receipt will be completed to show all information provided for on the form, except where the name of remitter and account to be credited are the same, in which case the name need not be repeated. Receipts covering remittances by third parties will be completed to show all readily available identifying data with respect to the person to be credited, such as C-number, series number, etc. The United States Postal Service guidelines relative to inserts, necessitated by the use of optical scanning equipment, preclude the use of window envelopes for mailing receipts to remitters. Therefore the address need not be shown on the receipt. When issuance of the remitter's copy of the receipt is required, it will be initialed by the Agent Cashier, alternate Agent Cashier, or collection clerk. In the case of a personal check or draft where the drawer is other than the remitter, the name of the drawer, the number of the drawee (numerical identification of bank on which drawn), the date and the check or draft number if any will be shown in the "Description of Remittance" block or on the reverse of the receipt. The name of the issuing company, date issued, serial number or other identifying information of money orders and other negotiable instruments will be recorded so as to facilitate their replacement in case of loss.

c. If a receipt is to be credited to more than one appropriation or fund, the titles and symbols of which cannot be shown on the face of VA Form 4-1027 because of the limited space, the remark "See Reverse" will be typed in the block "Symbol of Appropriation or Fund To Be Credited." The titles and symbols of the appropriation or funds, with the amounts applicable thereto, will then be entered on the reverse of the field service receipt.

d. When a receipt is issued for a remittance covering a refund of compensation, pension, or educational assistance allowance overpayment, it will show the finance code symbol involved. If the remittance covers a refund of an overpayment, the appropriation to which the payment was charged will be shown on the receipt. Refunds of overpayments will be deposited to the credit of the appropriation originally charged, or the successor allotment account symbol used in connection with the payment and will be shown on the receipt. If the overpayment is involved in a GAO suspension, the receipt will identify the overpayment by voucher number, name, and symbol of Disbursing Officer, etc., if available. If the voucher number cannot be cited, the check number, if available, and accountable period will be shown.

e. When the remittance is a replacement for a check which had been returned as uncollectible, the receipt will identify the Disbursing Officer who deposited the uncollectible check, by name, disbursing symbol, and calendar month, provided such data are available.

f. It is necessary that field service receipts be completed in sufficient detail to identify the appropriation or funds to be credited.

g. When a remitter sends funds for deposit to the credit of more than one patient, a single receipt will be issued, unless separate receipts are requested by the remitter. Names of patients and applicable amounts will be listed on the reverse of the receipt.

h. A single receipt may be issued when more than one remittance is received for the credit of the same patient, provided a personal check is not involved. Each remittance will be itemized on the reverse of the receipt. Separate receipts showing the deferred credit date will be issued for personal checks.

i. Funds left for deposit with employees other than the Agent Cashier will be turned over to the Agent Cashier, together with two copies of VA Form 10-2815, Temporary Receipt for Funds. The cashier will initial one copy and return it to the employee signing the temporary receipt and file the other. The official receipt will then be issued in favor of the actual remitter, entering the name of the employee who signed the temporary receipt on the VA Form 4-1028 in the space provided for "Initial Receiptor." The number and date of VA Form 4-1028 will be recorded on the remaining copy of VA Form 10-2815 and that copy will be filed by the Agent Cashier.

j. If the remitter is the patient, the original of VA Form 4-1028 will be given to the patient or forwarded to the Medical Administration Service for delivery to the patient or for filing in the patient's correspondence folder. The remaining copies of the VA Form 4-1028 will be distributed as required.

k. When collections are made by an alternate during periods of absence by the cashier (such as breaks, lunch, short periods of leave, etc.,) and subsequently turned over to the cashier, a memorandum receipt must be obtained for same by the alternate. These items

would include cash, checks, receipts issued, etc. The memorandum receipt will be retained for whatever period the facility deems necessary.

## **10. ENDORSEMENTS - CHECKS AND OTHER NEGOTIABLES**

a. As a general rule, all checks and other negotiable instruments received by the Agent Cashier will be made nonnegotiable as soon as possible after receipt. This will be accomplished by the use of the following stamped endorsement:

"Deposit symbol . For credit to the U.S. Treasury, (date). Deposited by the Agent Cashier, Department of Veterans Affairs (CO, RO, MC, Dom., or Center, City, State, ZIP Code)."

The deposit symbol to be shown will be the eight-digit station symbol of the office making the deposit, except for collections for receivables for which the Finance Center has accountability and the memorandum receivables are maintained at the depositing station. In these instances a separate SF 215 should be prepared with the Finance Center's eight-digit symbol shown. The endorsement should also carry the Finance Center's symbol. Checks drawn to the order of an official of VA by name or title will not require the personal endorsement of that official. The Agent Cashier will affix the above endorsement preceded by the statement:

Absence of Payee's Endorsement Waived

Department of Veterans Affairs

b. The above provision for making checks nonnegotiable will not be applied to checks received on behalf of an incompetent veteran-patient who has been transferred to another VA Medical Center or state hospital, as in the case of institutional award checks. Such checks may be given a restrictive endorsement, "Pay to the Director, VA Medical Center (location) for credit to account of (Name of Veteran, C-Number)," endorsed by the payee and forwarded. The Director may in writing authorize the Agent Cashier to endorse checks to be transferred, if such authorization is considered advantageous. The restrictive endorsement should be initialed by the Agent Cashier. Control will be maintained by noting the award card or payee card for the period the check was issued "Forwarded to Director, VAMC (Number)," or "Forwarded to Superintendent, \_\_\_ State Hospital," as appropriate. This procedure will eliminate the necessity for returning checks for cancellation and reissuance.

c. Checks and other negotiable instruments cashed as an accommodation to veterans (accommodation exchange), will be endorsed using deposit symbol 36-00-1200. The stamped endorsement will be as outlined in paragraph a above, except that the endorsement will contain the following legend "Accom Exch" so that these instruments may be properly tracked.

d. Negotiable instruments cashed as accommodations exchanges are not collections within the meaning of that term as normally used in fiscal transactions. In depositing transactions these items are described as accommodation exchange remittances. Prior to depositing these documents on SF 215, Deposit Ticket, the Agent Cashier will endorse them as outlined in paragraph c above.

## **11. DEPOSIT TICKETS**

a. Deposits with Federal Reserve banks and branches, as well as with other Federal depositories for all classes of collections will be made on SF 215. The SF 215 is designed for processing by the Department of the Treasury on optical character recognition equipment. Accordingly, a SF 215 may only be prepared on typing equipment with one of the following type fonts, in order of preference: (1) ANSI OCR-A, 10 pitch; or (2) PICA 10 pitch. Information to be shown on SF 215 will be in accordance with the requirements of TFM Volume 1, Part 5, Section 3015. Strict observance of these requirements is essential for integration of the accounting processes of VA and the Department of the Treasury.

b. A separate series of sequential control numbers will be established at each facility at the beginning of the fiscal year for all SF 215 prepared to deposit collections (formerly accomplished on SF 219). This VA control number will consist of six numeric characters and will be placed in block (6) of the SF 215 immediately following the words "AGENCY USE". The first three positions will be the three-digit station number followed by a three-digit sequential number commencing with "001" at the beginning of the fiscal year and maintained in unbroken sequence throughout the remainder of the year.

c. Cashiers will separate cash from checks and prepare a separate SF 215, Deposit Ticket, for each when depositing with a Federal Reserve Bank. Cash and check deposits will be forwarded in separate envelopes to the appropriate department in the Federal Reserve bank (FRB). The list of Federal Reserve banks are contained in the Treasury Financial Manual, Volume 1, Part 5, Chapter 2000.

(1) Checks need not be sorted, but must be accompanied by an adding-machine tape or other listing showing the amount of each item and the total of the deposit. The deposit of checks, with supporting documentation, will be forwarded to the attention of the FRB's Check Department.

(2) For cash deposits cashiers will prepare the FRB's Coin/Currency Deposit Slip and include it with the SF 215, Deposit Ticket that is forwarded to the FRB's Cash Department. Coin/Currency, Deposit Slips are provided by the FRB used by the facility. All currency will be sorted by denomination, face and top up and deposited in full packages (100 notes) of each denomination. Partial packages will be prepared for any denomination which does not make a full package. Each package will be secured with a nondenominational currency strap. The dollar amount contained in each package of currency (full or partial) and the depositor's eight-digit deposit symbol will be clearly

indicated on the currency strap. Currency straps must be obtained from commercial suppliers. Coins will be rolled whenever possible.

d. Checks deposited to commercial depositories need not be sorted but must be accompanied by an adding-machine tape or other listing showing the amount of each item and the total of the deposit. A separate adding-machine tape or other listing for currency and coins will be provided if cash is in the deposit.

(1) Cashiers must be aware of their depository's cutoff time for recording transactions and establish a processing schedule that will allow deposits to reach the depository before the depository's cutoff time for posting deposits. If deposits are delivered after the depository's cutoff time, then block (2) of the SF 215, Deposit Ticket must show the next business day date.

#### EXAMPLES:

Depository cutoff time 2 p.m.

Deposit delivered at 1:30 p.m. on Monday

SF 215 block (2) date: Monday's date

Depository cutoff time 2 p.m.

Deposit delivered at 2:30 p.m. on Tuesday

SF 215 block (2) date: Wednesday's date

(2) Dates reflected in block (2) of SF 215, Deposit Ticket, and recorded through the CALM system must be the same as those reported by the bank to Treasury.

e. Collections received which are for credit to the accounts of another station will be forwarded to that station for deposit except when Central Office has approved deposit of the collection by the collecting station. Exceptions are collections applicable to receivables for which accountability is maintained in the Compensation, Pension and Education computerized systems at the VA Finance Center in Hines, IL. Stations maintaining the memorandum receivable records under these systems will continue to deposit these items for credit to the Hines Finance Center. The foregoing applies only when the memorandum receivable records are maintained by the depositing VA Regional Office or Center. A Medical Center or other office receiving a collection applicable to the CP&E computerized system will forward the collection for deposit to the appropriate Regional Office or Medical and Regional Office Center maintaining the memorandum receivable records.

f. The inclusive receipt numbers covering items deposited will be shown in the right side of block (6). If there is insufficient space, the reverse of the form will be used. When

collection is accomplished by means of SF 1080 or other form, the number or description of that form will be indicated on the SF 215.

g. The distribution of SF 215 indicated below will be followed by all field stations regardless of location when depositing funds to the credit of any accounting station.

Note: When a deposit is for credit to a VA station other than the depositor, confirmation data should be transcribed from the confirmed copy to the agency copy and the confirmed and memorandum copies forwarded to the Finance activity of the station to be credited for the deposit.

Copy	Initial Distribution	Final Distribution
1. Original Treasury	To depositary with deposit	Depositary forwards to
2. Memorandum Copy through insert (5) and to recorded SF deposits to accompany the which are systems a since it Treasury.	Retain when making deposit	For all deposits not made through the CALM/FMS systems, confirmed date in block submit with monthly SF 224 Treasury. A list of 215s used to record Treasury will also SF 224. For all deposits made through the CALM/FMS copy need not be retained will not be utilized by
3. Depositary Copy	Depositary will retain	.
4. Agency Copy	Retain at station	.

5. Confirmed Copy To depositary with .  
deposit

h. Deposit tickets for foreign currency and checks drawn on foreign banks payable in foreign currency will be completed in the usual manner except that the U.S. dollar amount will be left blank and Block 2, "Date Presented or Mailed to Bank" should also be left blank. The date mailed should be recorded in Block 6, "Agency Use". The reverse side of the deposit ticket for foreign checks should be inscribed with the name and address of the bank on which the check is drawn, the name and address of drawee, the name of endorsee, if any, the medium of exchange, the foreign currency amount, and the date of the check. The entry of net dollar proceeds on the deposit ticket and credits in the Treasurer's account will be made by the appropriate depositary. The U.S. dollar equivalent will be entered by the depositary when credit is received in the Treasury account. Upon receipt of the confirmed deposit ticket from the depositary, the total amount of the deposit will be prorated to each individual item included in that deposit. Confirmed deposit ticket copies will be distributed under established procedures. Deposits of foreign instruments and currencies will be forwarded to the following depositaries as prescribed in the Treasury Financial Manual (TFM), Part 5, Section 6020.

(1) Foreign currencies, other than Philippine pesos, must first be converted to the U.S. Equivalent (USE), which can be obtained by calling the Bank of America Foreign Trading Desk on 1-800-387-1012. They will require the Treasury assigned five digit client number which is 37539 as well as your Agency Locator Code (ALC).

(a) Currency deposits of \$5,000 USE or less should be accompanied by the deposit ticket(s) and mailed in accordance with the instructions in the TFM to:

Bank of America

FCS-LAOC #4658

P.O. Box 54529

Los Angeles, CA 90054-0529

(b) Bank of America will arrange for Brinks pickup and provide Brinks self-sealing shipping bags for currency deposits over \$5,000 USE, which should be packaged securely with the deposit ticket(s) in accordance with the instructions in the TFM and addressed to:

Bank of America

Foreign Currency Services

525 South Flower Street, B Level

Los Angeles, CA 90071

(2) Checks drawn on foreign banks will be transmitted with accompanying deposit ticket(s) to the following depository for credit to the Treasurer's General Account.

Citibank

Worldlink Collections

P.O. Box 945

Amherst, NY 14226-0945

(3) Not more than one foreign currency, other than Philippine, will be included in the same deposit ticket, and a separate deposit ticket will be prepared for each check drawn on a foreign bank payable in foreign currency. The SF 215 will be completed as usual except that the U.S. dollar amount will be left blank. Upon collection of the item, Citibank will enter the U.S. dollar value on the corresponding SF 215, and return the dated confirmed copy to the depositing facility.

(4) A single deposit ticket may be prepared to cover more than one check drawn on foreign banks, other than Philippine, payable in U.S. dollars only at the foreign banks. To be included on the same deposit ticket the U.S. dollar checks payable only at the foreign banks must be drawn in the same foreign country. Upon receipt at Citibank, the SF 215 will be dated and the confirmed copy returned to the depositing facility immediately.

(5) Checks drawn on foreign banks, other than Philippine, in U.S. dollars are payable through a bank in the United States (encoded with the ABA routing symbol at the foot on the left side of the check) should be included in the normal deposit of the U.S. dollar checks drawn on domestic banks.

(6) The depository for foreign, other than Philippine, items will assess a handling or collection fee for all items processed. There is a charge of \$5 per tracer which normally will be sent every 30 days on outstanding items. No item of less than \$15 in value will be sent to Citibank, U.S. Treasury Foreign Collection Operations for handling or collection. The amounts of checks returned as uncollectible, exchange fees, or any other collection charges will be charged back to the depositor through execution of a SF 5515, Debit Voucher. Depository will prepare the debit voucher and return the form to the depositing facility in accordance with established procedures.

(7) Philippine checks and currency will be deposited directly to the Regional Disbursing Officer's official pesos account No. 1, with the Manila Branch, National City Bank of New York, by means of commercial deposit slips. Distribution will be as follows:

Copy	Initial Distribution	Final Distribution
1	To depositary with deposit  deposit  upon	Retained by depositary. Rate of exchange and dollar equivalent applicable to each appropriation or fund symbol appearing on the slip will be indicated at time deposit slip is prepared, based exchange rate information obtained daily from depositary.
2-3	To depositary with deposit	Acknowledges and returns to depositor for delivery to RDO on same day deposit is made, after transcribing any necessary deposit data to copy 4. Copies 2 and 3 retained by RDO.
4	To Accounting or Finance activity with applicable receipts	Use as posting media and attach to statement of transactions with applicable receipts.
5	(Insurance collections) To Accounting activity with VA Form 4-1551, and copies of counter receipts, etc.	To Collections Unit, Insurance office with VA Forms 4-1622 and 4-1551 and related receipts after transcribing any necessary deposit data.

i. Accommodation exchange instruments cashed by Agent Cashiers will be deposited with the local depositary or Federal Reserve bank as appropriate on SF 215, Deposit Ticket. Instructions for preparation of SF 215 for these purposes are the same as for deposits of collection items except as otherwise stated below:

(1) On the SF 215, the agency station symbol 36-00-1200 will be typed in block 3. Directly below blocks 1 through 4 type in "Accommodation Exchange Transaction".

(2) A separate series of sequential control numbers will be assigned to deposit tickets (SF 215) used for these purposes. The number will consist of an alpha and three numeric characters assigned sequentially starting with A001 at the beginning of the fiscal year and placed in block 6 of the SF 215 immediately following the words "Agency Use." (Note: The preprinted deposit ticket number in block 1 must always be used for CALM/FMS recording purposes.)

(3) The accomplished "confirmed copy" and "memorandum copy" of the SF 215 will be forwarded to the accounting section, since the Agent Cashier will be replenished through the CALM/FMS systems. The "agency copy" will be retained by the Agent Cashier.

(4) Accommodation transactions will still be recorded as required by Section C, paragraph 16, except that a copy of the listing will be provided to the Accounting activity in support of the SF 215 and field service receipt now required. A single field service receipt (VA Form 4-1027) will be prepared for the total amount recorded on the listing for deposit on the SF 215, suspense account 36F3875. The original copy of the receipt will be attached to OF 1129 as a voucher for replenishment along with a copy of the listing. Copy 2 of the field service receipt will be forwarded to the Accounting Section with a memo copy of SF 215. Both the field service receipt and OF 1129 will be identified as an "accommodation exchange" replenishment.

j. The Agent Cashier will assure that the confirmation copy of the deposit ticket is received within a week to 10 days after date of deposit and appropriate follow-up taken with the depository if not received.

## **12. DEPOSIT OF COLLECTIONS**

a. The frequency of deposits will be determined by the daily dollar volume of funds received at an individual VA facility. Basic requirements governing the frequency of deposits are as follows unless otherwise provided.

(1) Receipts of \$1,000 or more will be deposited on a daily basis.

(2) Receipts of less than \$1,000 may be accumulated and deposited when the total reaches \$1,000. However, deposits will be made no less frequently than weekly, regardless of the amount accumulated. In addition, personal checks received that must have a deferred credit period endorsed on the receipt, as in paragraph 2 of this section, will be deposited not later than the next business day following receipt, regardless of the amount of accumulated deposits on hand.

(3) Treasury checks which total \$5,000 or more must be deposited on the next SF 215 deposit ticket to the nearest Federal Reserve Bank, which are listed in TFM Volume 1, Part 5, Chapter 2. This deposit will be made as expeditiously as possible.

b. Cash collections received by the Agent Cashier which are mailed to a Federal depository or an Insurance Collection Unit will be handled as follows:

- (1) Cash in excess of \$100 will be exchanged for a bank draft or substituted with a properly endorsed replenishment check.
  - (2) Cash amounts less than \$100 may be shipped by registered mail if more convenient than securing a bank draft.
  - (3) Where deemed advisable by the Fiscal Officer, money orders may be purchased and transmitted for deposit in lieu of cash collections received. Fees for money orders obtained for this purpose will be paid from Imprest Funds.
- c. Insurance collections received at a VA facility will be dispatched daily to the Collections Unit of the appropriate Insurance activity, on VA Form 4-1551, Transmittal Schedule of Insurance Collections.
  - d. Medical Care Cost Recovery (MCCR) receipts should be deposited and posted to the CALM/FMS and IFCAP systems within twenty four hours of receipt. The Explanation of Benefits (EOB's) should be sent to the MCCR Unit at the same time.
  - e. Checks drawn on foreign banks and foreign branches of U.S. banks, whether payable in U.S. dollars or in a foreign currency, should be endorsed in the usual manner and transmitted for deposit to the appropriate depository indicated in paragraph 11, along with the covering deposit tickets.
  - f. Each field station will be advised as to the designated depository by Central Office, Cash Management Policy Division (047G4). Where a Federal Reserve bank or its branch is designated as depository, deposits may be mailed or delivered. When a commercial bank is designated as depository the deposits must be delivered. They may not be mailed, but armored car service may be utilized if justifiable.
  - g. Monies received by the Agent Cashier in amounts of more than \$5 which are determined to be not due the U.S. will be receipted, deposited, and refunded to the remitter by check. Amounts of \$5 or less will not be deposited or entered in accounting records but will be returned in kind. Amounts less than \$1 will not be refunded unless requested. A logbook, showing the amount, date returned, and name and address of remitter, will be maintained by the Agent Cashier activity. Each transaction will be attested to by the signatures in the logbook of the Agent Cashier and one other witness who is not an employee of the Agent Cashier activity.

### **13. PREPARATION AND SHIPMENT OF COLLECTIONS**

- a. At field stations the Agent Cashier, or alternate in the event of the Agent Cashier's absence, will be responsible for preparing all shipments of collections. In carrying out this responsibility the Agent Cashier will maintain all records, make the necessary reports, and report any losses incurred relative to such shipments.

b. All collections are considered "valuables" under the Government Losses in Shipment Act, 40 U.S.C., Chapter 15 and must be counted, verified, enclosed, and sealed for mailing in the presence of one employee other than the cashier's alternate, to witness the content of the shipment in case a loss should be sustained. This applies to collections being carried to designated depositaries as well as collections to be mailed. The same employee should not be routinely used as a witness. This assignment should be randomly rotated.

#### c. Mailing Collections

(1) It is considered good administrative practice in mailing collections to forward such items by registered mail when the package contains cash or negotiable instruments and by certified mail when the package contains nonnegotiable items only. The declared value to be placed on a registered package will be based upon the cash and negotiable instruments only contained in the package. A package will not be registered if the declared value is less than the registration fee. All instruments endorsed for deposit in accordance with paragraph 10 become nonnegotiable and the value of such items will not be included in the declared value of a package when shipped with cash and negotiable items. Packages containing nonnegotiable items and packages containing cash and/or negotiable instruments totaling up to \$100 will be delivered to the administrative mail clerk for registration or despatch by certified mail, as appropriate, without the prepayment of postage costs and fees. (See MP-1, Part II, Chapter 6, for current mail operations instructions.) Packages containing cash and/or negotiable instruments in amounts exceeding \$100 will not be delivered to the administrative mail clerk for registration. Under the Government Losses in Shipment Act, when a shipment contains cash and/or negotiable instruments in an amount exceeding \$100, the package must be delivered directly to the local post office for registration.

(2) Insurance collections for dispatch, in accordance with paragraph 12, will be registered or certified as indicated in subparagraph (1) above. However, since insurance collection instruments are not endorsed by the Agent Cashier by rubber stamp prior to dispatch to an Insurance activity, only those instruments payable to VA or the United States Treasury and Agent Cashier replenishment checks or any other instruments containing a restricted endorsement by the payee will be considered as nonnegotiable for the purpose of determining the declared value at time of registration.

(3) When valuables are mailed, shipped by air express or other carrier, or transported by the Agent Cashier or other VA personnel, including the transportation of cash to be exchanged for a bank draft, the Agent Cashier will prepare and retain VA Form 4-1011, Record of Shipment of Valuables. The completed VA Forms 4-1011 will be numbered sequentially beginning with 1 each fiscal year. The forms will be filed in numerical order. When a replenishment check is to be exchanged for cash, a record of the check number and amount will be retained to facilitate replacement in case of loss.

#### d. Loss in Shipment

(1) Any loss of shipment should be reported immediately to the nearest United States Secret Service and Federal Bureau of Investigations offices and to the local VA Office of the Inspector General and the post office. Field stations will cooperate fully with these agencies in facilitating an investigation, and will place a tracer on the shipment whenever advisable. The following information relative to the loss should also be furnished to the Agent Cashier Accountability Section (0474B1), VA Finance Center, Austin, TX

Date of shipment.

Amount and character of loss.

Name and address of consignee.

Registry receipt number when applicable.

Statement of cause of loss, if known.

(2) Immediately upon discovery of the loss, destruction or damage, the Fiscal activity will take action to stop payment or delivery on the original document. Effort should be made to obtain replacement of the document without the execution of an agreement of indemnity. When this is not possible a full report will be submitted to the Austin Agent Cashier Accountability Section (0474B1). The report will include a complete description of the document concerned and will be accompanied by two copies of all correspondence, schedules of collections, record of shipment of valuables, and other pertinent forms or reports relating to the loss and the effort to obtain replacement. This report is in addition to that required by subparagraph (1) above.

(3) An exception will be made to the reporting requirements of subparagraph (1) above if the loss occurred in registered mail sent under postage and fees paid indicia and the full value of the lost shipment does not exceed \$100. Under these circumstances, the United States Postal Service will assume full liability for the loss. Field stations, therefore, should file a claim with the local postmaster at the point of dispatch,

#### **14. UNCOLLECTIBLE ITEMS**

a. When a check proves to be uncollectible the depository will prepare a SF 5515, Debit Voucher, and immediately charge the amount of the unpaid item in the account of the United States except when special arrangements have been made between the depository and the depositor to defer the immediate charging of the accounts. Under such an arrangement the uncollectible check is automatically reprocessed for collection by the depository or returned to the depositor to be presented again or replaced by a new check. The SF 5515, Debit Voucher is not prepared in such cases until the elapse of a period of time mutually agreed to by both parties.

b. Debit Vouchers

(1) A SF 5515, Debit Voucher received at the facility must be handled promptly. An OF 1114, Bill for Collection, will be issued immediately by the Fiscal service. The accounting section will take the action necessary for recording the debit. When the debit voucher applies to the Personal Funds of Patients account (PFOP 36X6020), the amount must be recorded in the individual patient's account.

(2) Those debit vouchers received as the result of an accommodation exchange transaction will be included and identified as separate item(s) in the accounting classification section, or the reverse of each OF 1129 prepared for replenishment and the monthly accountability report. These items will continue to be shown and identified until resolved.

c. Aggressive and timely follow-up action will be initiated to effect recoupment. If collected, the deposit will be made on a separate SF 215, which will be identified as "To Offset Debit Voucher No. \_\_\_\_\_, accommodation exchange." If an amount change is necessary on a deposit ticket the depository will prepare a SF 5515, Debit Voucher when the deposit ticket is to be increased. An additional deposit ticket will be prepared if the amount is to be increased. A copy of the adjusting ticket of the debit voucher will be furnished to the depositor.

**15. CUSTODY OF RECEIPT FORMS AND RECORDS.** The entire supply of counter receipts, VA Form 4-367, and the field service receipts, VA Forms 4-1027 and 4-1028, will be kept in the Agent Cashier's safe. As shipments are received, the first and last numbers of each class of receipts will be verified by the Agent Cashier, and any discrepancy will be reported to the Forms and Publications Depot. A memorandum indicating the numbers of each class of receipts, signed by the cashier, will be forwarded to the accounting section.

**16. ERRORS IN AMOUNTS STATED ON THE RECEIPTS.** When errors have been made in stating amounts on receipts for cash remittances, no corrections, strikeouts, changes, erasures, or alterations will be made, but the receipt will be voided and a new receipt issued in the correct amount. On the original voided receipt, enter the number of the receipt issued in its place. However, where other than cash remittances are received and errors are made in stating amounts on receipts, correction of the amount may be made without voiding the receipt.

**17. VOIDED FIELD SERVICE AND COUNTER RECEIPTS.** When it is necessary to void a field service or counter receipt, all copies will be marked "Void." The numbers of the voided field service or counter receipts will be recorded, in proper numerical sequence, on the applicable deposit ticket or VA Form 4-1551, Transmittal Schedule of Insurance Collections. All copies of field service receipts will be forwarded to the Accounting activity attached to the applicable deposit ticket. All copies of the voided counter receipts will be attached to the retained copy of the VA Form 4-1551 and forwarded to the Accounting activity.

**18. FUNDS FOUND ON PREMISES**

a. Funds found on premises under the control of VA with ownership unknown will be placed in Deposit Fund Account 36X6875 pending final disposition. VA Form 4-1027, Field Service Receipt-General, will be issued to the remitter.

b. If ownership is established to the satisfaction of the Director the funds will be released on VA Form 90-2064, Authority To Release and Ship Effects and Funds. If ownership is not established within a period of 90 days, the funds will be transferred as a general donation to the General Post Fund.

**19. AGENT CASHIER REPORT OF DEPOSITS.** An annual report of activity for a representative month will be submitted by letter so as to reach the Cash Management Policy Division (047G4) in Central Office, by the 10th workday of October. This letter must include the following information in the format as follows:

a. Average Monthly Deposits of Collections (SF215)	Amount	Number of Checks
(1) Cash	x	x
(2) Checks - Local	x	x
(3) Checks - Out-of-Town		x
b. Average Monthly Deposits Accommodation Exchange Instruments (SF 215)	x	x
c. Average Monthly Replenishment Checks Cashed	x	x
d. Name and Address of Bank Used as Depositary		
e. Approximate Distance of Depositary		
f. Method of Transmittal of Deposits		
g. Monthly Cost of Armored Car Service, if Utilized		

h. Ownership status of bank used as depositary (applicable for commercial banks used as depositary). Indicate either Minority or Non-Minority-Owned

i. Name of Primary Agent Cashier, and First Alternate (as of 9/30)

j. Amount of Actual Cash Advance (as of 9/30) x

k. Name of facility used for change making and/or check cashing if different from item d.

l. Monthly cost for change making and/or check cashing (if applicable)

An interim report will be submitted at any time there is a major change of a continuing nature which will appreciably increase or decrease the monthly deposits. Reports Control Symbol 04-0449 is assigned this report.

## **SECTION C. DISBURSEMENTS**

### **1. GENERAL**

a. Cashiers are authorized to advance travel funds to employees in emergency situations, advance funds to an Imprest Fund Cashier or entrust sufficient cash to an authorized employee to make payment for a specific purpose where considered advantageous to the Government. Payment will not exceed \$500 for any one transaction. However, cash payments may not be made for transportation charges in excess of \$100, or personal services unless specifically authorized. If cash payment for personal services to an employee has been specifically authorized under the provisions of paragraph 19 of this section, such payment may be made in the amount due, irrespective of the normal cash payment amount limitations.

b. Cash payments may not be made for money orders, reference TFRM, Part 4-3040.20, except under the following circumstances:

(1) Agent Cashiers, their alternates and successors in the position, having authority to use cashier funds to purchase money orders not to exceed \$40 per transaction for the purpose of filing court fees in connection with debt collection. Money orders shall be used only in those circumstances where payment by cash or Treasury check is not possible or efficient.

(2) Cash payment for money orders may be made for the deposit of collections as provided in Section B, paragraph 12.

(3) Cash payments for money orders may be made for small mail order purchases not to exceed the limitations outlined in paragraph 1a.

c. Except where otherwise indicated, the original voucher only will be submitted for payment. All vouchers other than those covering beneficiary travel, mileage allowance for nonemployee attendants, and petty cash purchases will be audited prior to payment. Vouchers not preaudited will be given only a superficial examination by the cashier. If any doubt exists concerning a voucher which has not been preaudited, the cashier may request that an audit be made prior to payment. All vouchers not preaudited will be audited before certification of the OF 1129 covering the replenishment. The cashier should be replenished in full for all payments made. If an audit reveals an overpayment, the indebtedness due the United States will be set up against the person receiving the payment.

d. An authorized certifying officer will certify all vouchers prior to payment except those covering petty cash or imprest fund purchases, beneficiaries' and nonemployee attendants' mileage allowances and actual travel expenses, nonemployee attendants' fees, local transportation employee travel and withdrawals from accounts of Personal Funds of Patients. Vouchers in the excepted category will be certified on the covering replenishment voucher OF 1129. Each such voucher will be assigned an "AC" voucher number in straight numerical sequence beginning with number "1" at the beginning of each fiscal year. In certain instances an "AC" voucher will be supported by cash subvouchers, in which event each cash subvoucher will be numbered beginning with number "1" and numbered consecutively for each group of cash payments to be consolidated into a single "AC" voucher. All subvouchers comprising each "AC" voucher should be machine taped and fastened together. In all cases documents supporting cash paid out will be marked or stamped "Paid" immediately upon payment.

## **2. REPLENISHMENT VOUCHERS**

a. Before submitting replenishment vouchers a complete verification of the cash accountability and undeposited collections must be completed. When it becomes necessary to replenish funds advanced, the Agent Cashier will tape all "AC" vouchers and prepare an OF 1129, Reimbursement Voucher, in duplicate. Cashiers will replenish funds every business day if necessary. The OF 1129 will be signed by the Agent Cashier in the space provided. The "Status of Fund" section must always be completed. The Agent Cashier will forward the original OF 1129 with attached "AC" vouchers to the

Voucher Audit Section for audit as outlined in paragraph 1c. Upon completion the voucher will be forwarded to a certifying officer. After review and certification, the documents will then be forwarded to the accounting section for necessary action. The copy of the OF 1129 will be retained by the Agent Cashier pending receipt of replenishment checks and for recordkeeping purposes.

b. The Department of the Treasury has authorized VA to replenish cashiers via electronic funds transfer (EFT). Facilities may open depository accounts at commercial financial institutions for the sole purpose of receiving Agent Cashier replenishments electronically rather than by paper check. The financial institution must meet the eligibility requirements contained in 31 CFR 202. Banks, credit unions and savings and loan institutions are eligible to serve as Government depositories under 31 CFR 202.

(1) Cashiers' depository accounts are not to be used for any purpose other than to replenish the cashier's fund. Agent Cashier remittances may not be deposited to these accounts, but must still be deposited on SF 215 Deposit Tickets to the current Treasury approved commercial depository account or Federal Reserve account. Treasury has not approved the use of the cashiers' accounts for the disbursement of funds other than cash withdrawals. Therefore, third party checks may not be written against these accounts.

(2) Facility Director's are authorized to establish a depository demand account for the Agent Cashier and/or the Fiscal/Finance Officer to make cash withdrawals. This will be accomplished with a letter signed by the Director to the financial institution, advising that the funds deposited are official funds of the U.S. Government. The letter will also authorize funds withdrawal by the Agent Cashier, and in the case of emergency, by the Fiscal/Finance Officer or Assistant Fiscal/Finance Officer. Signature cards obtained from the financial institution must accompany the letter, with these three signatures only.

(3) The account may be an interest bearing savings account or a checking account, and may not exceed the recognized insurance coverage amount of \$100,000 provided by the Federal Deposit Insurance Corporation (FDIC), The National Credit Union Share Insurance Fund (NCUA) and the Savings Associated Insurance Fund (SAIF), formerly (FSLIC). Any service charges or other related fees must be paid by the facility, and any net interest earned from the account must be deposited by the cashier to the General Fund Receipt Account 361435.

(4) In order to accomplish routine electronic replenishments, a Payment Information Form, TFS 3881, must be completed by the fiscal activity and the selected financial institution. The station will then update the Agent Cashier's record in the Vendor File. When that has been accomplished the CALM/FMS input TC 974 will be used to process electronic replenishments.

(5) A monthly reconciliation of the account using SF 1149, Statement of Designated Depository Account, and the depository statements must be performed by the fiscal activity. The bank statement will be reconciled to the total reflected in the EFT ledger, the check book register and the account balance on the monthly accountability report, OF

1129. The net interest, if any, will be added to the EFT balance. The SF 1149 will be completed and certified by the employee conducting the reconciliation and counter signed by the Agent Cashier. This reconciliation must be performed by someone other than the Agent Cashier or the Fiscal/Finance Officer. The SF 1149 and the depository statements must be retained by the Agent Cashier as part of the official records, which are subject to review during unannounced audits. The original SF 1149 will be mailed to the Agent Cashier Accountability Section (0474B1), at the Austin Finance Center with the end of month accountability report.

c. In order to reflect the appropriation or fund charges in the accounting records and reports at the close of each month, OF 1129, Reimbursement Voucher, covering all cash items paid by the Agent Cashier and Imprest Fund Cashiers will be prepared on the morning of the first workday of the following month, but dated the last day of the report month, and submitted to the accounting section by noon of the same day. This signed OF 1129 (original and copies) will be appropriately identified as an accountability report and must reflect the station's three-digit station number on the upper right corner of each report. The "Status of Fund" section must be completed in its entirety to show all items which comprise the funds advanced including any losses, shortages, interim receipts, etc. The amount of funds advanced to Imprest Fund Cashiers and all other employees authorized to hold cash from the Agent Cashiers account, with the names and amounts listed will be shown on the reverse or as a separate attachment. Pending reimbursements will be listed by type, date and amount and shown on the reverse of the monthly accountability report. The number and amounts of accommodation exchange transactions will be listed separately and accommodation exchange debit vouchers will also be listed separately. Cashiers will make a special note of those transactions that are made to accommodate homeless veterans. The report will be noted to show the number of replenishments submitted during the month and the total value. This will include both regular and accommodation exchange replenishments. This accountability report will be certified by the Fiscal Officer or Acting Fiscal/Finance Officer only, and a signed original copy will be mailed by that official to Agent Cashier Accountability Section (0474B1), VA Finance Center Austin, TX 78772 no later than the seventh workday following the end of the month.

d. Under unusual circumstances, an Agent Cashier's advance may be depleted and an emergency increase in the advance is required to avoid disruption of the cashier's function. The Fiscal Officer may advise the Agent Cashier Accountability Section(0474B1) of the circumstances surrounding the emergency by telephone and telefax the SF 211 to Austin requesting the funds.

e. In the event cashier replenishment checks are not received at the facility within a reasonable timeframe (allowing for slow or delayed mail service), the Finance Division at the Austin Finance Center, Payment Analysis Section (0473A3) should be contacted. That office will provide the check numbers, date of issuance, amounts, symbol and addressee information.

f. The facility will send a TWX or FAX to the Austin Agent Cashier Accountability Section (0474B1), requesting stop payment action and the issuance of an emergency increase. All details for each request must be included to ensure that the necessary actions will be taken in Austin. The emergency increase will be adjusted when the issue is resolved.

g. Cashiers must keep an accurate log of the date that all replenishment checks are received and the date they are cashed. Cashiers must also maintain a daily internal control log to record EFT transactions. Each facility receives two copies of a daily report (RPO 846A), listing the items processed from the Agent Cashier's replenishment. The accounting section will ensure that a copy of this report is routed to the Agent Cashier on a daily basis. This information will be used to update the daily status of funds and to verify accountability. Account balances will be reflected as a separate line item in the status of funds area.

### **3. BENEFICIARY TRAVEL ALLOWANCES**

a. VA Form 70-3542, Authorization to Report-Voucher for Mileage Allowance, VA Form 70-3542d, Voucher for Cash Reimbursement of Beneficiary Travel Expenses, and VA Form 70-2509, Authorization for Non-Employee Attendant, must be received prior to payment. A cash subvoucher number will be assigned to each form beginning with number "1" and numbered consecutively for each group of payments to be consolidated into a single "AC" voucher. Upon receiving payment, the traveler will be required to sign the form in the space provided.

b. Claims from beneficiaries for reimbursement of actual and necessary expenses for travel may be paid upon presentation of a certified voucher SF 1012, supported by the original or certified true copy of the travel authority. When beneficiaries have been held over for the convenience of VA and have been authorized to procure meals or lodging on a reimbursement basis, such reimbursement may be made on the same voucher used to pay traveling expenses.

c. Payments to beneficiaries for local transportation will be made upon presentation of VA Form 70-3542 or 70-3542d, properly certified that the beneficiary completed the trip. The forms will be numbered sequentially beginning with number one and numbered consecutively for each group of payments to be consolidated into a single "AC" voucher. Receipt for payment requirements will be the same as indicated in subparagraph a above for mileage allowance.

d. A nonemployee attendant may claim and be paid in cash for mileage for incoming and return travel to the point from which travel proceeded and for the attendant fee, prior to completion of the return trip. The fee will cover the time required to complete the assignment.

e. When a beneficiary is to be discharged on a Saturday, or Sunday, or holiday and requests cash payment for return travel, funds will be obtained from the Agent Cashier by

an employee designated in writing. This employee will furnish the Agent Cashier a signed memorandum receipt at the time the funds are received and will obtain the beneficiary's signature on VA Form 70-3542 or 70-3542d at the time of payment. The signed form will be submitted to the Agent Cashier not later than the close of business on the first normal workday following the non workday, at which time the Agent Cashier will return the memorandum receipt.

**4. SEPARATED EMPLOYEES.** If a discharged employee demands final payment in cash, it will be made on the day of discharge, if administratively possible. If not paid on the day of discharge, final payment in cash will be made on the first day administratively possible. Third party drafts may also be used for this purpose. SF 1128, Payroll for Personal Services - Payroll Certification and Summary signed by an authorized certifying officer, will be received in duplicate by the Agent Cashier. The Agent Cashier will make payment of the net amount. After payment the SF 1128 will be retained by the Agent Cashier for future replenishment. The copy of the SF 1128 will be returned to the Payroll activity with the notation that payment has been made.

#### **5. POSTAGE STAMPS AND POSTAL CARDS**

a. The Agent Cashier will present the original voucher to the Postmaster for signature and receive the stamps and postal cards at that time. Officials receiving stamps will acknowledge receipt, by signing on the reverse side of the original voucher. Postage stamps and postal cards procured for the use of indigent beneficiaries will be delivered to the Chief, Medical Administration Service or designee. In accordance with agreements in effect with other medical or library associations, postage stamps procured for use in connection with the payment of postage for incoming shipments of materials, and other items including film or periodical and book exchanges both incoming and outgoing, will be delivered to official(s) designated by the Director.

b. If payment is to be made by check, the Agent Cashier will, upon receipt of check from the disbursing office, deliver the check to the Postmaster and receive the stamps and postal cards and obtain the signature of the Postmaster on the original voucher.

#### **6. COURT COSTS, RECORDING FEES, ETC.**

a. In cases where cash payments are required as in prepayment of court costs, recording fees and similar items, or in any case where the Director deems it advantageous, cash may be released to an employee designated by the Director to make such authorized payments. If the designated employee uses personal funds for such authorized payments reimbursement will be made upon the presentation of receipts for the amount expended.

b. The Agent Cashier will release the funds to the designated employee and obtain a receipt, annotated with the purpose for the amount advanced. The employee receiving the funds will secure the payee's signature on the proper forms for the money paid.

c. An accounting for the funds advanced will be made by the close of the business day following payment. Upon completion of the accounting, the memorandum receipt will be returned to the employee who receipted for the funds. If due to extenuating circumstances such as in the case where the employee does not return to the office in sufficient time to render the accounting in the time limit prescribed, it must be accomplished immediately upon their return to office.

**7. ENTERTAINMENT AND RECREATION COSTS.** The money and voucher may be released to the employee designated by the Director in exchange for a proper receipt. The receipted voucher will be returned to the Agent Cashier in exchange for the temporary receipt.

**8. DONORS.** VA Form 10-7078, Authorization and Invoice for Medical and Hospital Services, will be used as a voucher on which payment is made for blood, skin tissue, bone marrow, etc. It must have a receiving report showing quantity, date, signature, and title of the administrative official responsible for accomplishing the receiving report. The receiving report may be in the form of an administrative statement endorsed on the VA Form 10-7078 as "The quantity billed has been received and was accepted," followed by the responsible official's signature and date.

**9. REVOLVING FUND LOANS.** Payment of revolving fund loans will be made on VA Form 28-1910, Application and Public Voucher for Advancement From the Vocational Rehabilitation Revolving Fund, properly certified. After payment, a copy of the form will be forwarded to the Finance activity in accordance with VBA Manual M28-1, Part III. These payments may exceed the \$500 cash limitation stated in paragraph 1, up to the maximum amount authorized by the Vocational Rehabilitation and Counseling (VR&C) Officer. Third party drafts should be used whenever possible.

**10. LECTURES.** Payment will be made on a copy of the letter of agreement, endorsed by the responsible official to the effect that services were rendered satisfactorily.

**11. PURCHASE AND HIRE PAYROLLS.** Payment of purchase and hire payrolls will be made in the same manner as those of separated employees.

**12. EMPLOYEES LOCAL TRANSPORTATION.** Payment will be made upon presentation of an approved SF 1164, Claim for Reimbursement for Expenditures on Official Business. The forms will be serially numbered, machine taped, and assigned an "AC" voucher number.

### **13. PETTY CASH**

a. The use of cash is restricted to those instances where a third party draft or check would not be accepted, and is limited to the maximum of \$500 per transaction. Cash may only be advanced to employees designated in writing by the Director to receive the funds. A memorandum receipt will be obtained at the time the advance is issued, and will be held until the unexpended portion of the funds, with receipted bill, invoices, SF 1165, Receipt

for Cash-Subvoucher, or SF 44, U.S. Government Purchase Order-Invoice-Voucher, properly certified and showing the appropriation with the applicable allotment restriction or fund to be charged, is delivered to the Agent Cashier. This must be accomplished not later than the next business day following the date of purchase, at which time the memorandum receipt will be returned to the employee.

b. In the event the designated employee expends personal funds for purchases, reimbursement will be made upon presentation of receipts for the amount expended, showing the applicable appropriation and allotment restriction or fund involved. The receipts will be serially numbered, machine taped, and assigned an "AC" voucher number.

**14. PERSONAL FUNDS OF PATIENTS.** All transactions involving Personal Funds of Patients are covered in VA Handbook 4220. A separate series of "AC" numbers will be established for patient funds, designated as "ACP." When this activity is in the Medical Administration Service the series will be under their control.

**15. AMBULANCE SERVICE.** If required, payment may be made for ambulance service before the driver leaves the station on receipt of a properly completed VA Form 10-2511, Authority and Invoice for Travel by Ambulance or Other Hired Vehicle.

## **16. CASHING CHECKS AND OTHER NEGOTIABLES**

a. Agent Cashiers are authorized to cash Treasury checks in order to recover an indebtedness. The Agent Cashier will take such action as is considered necessary to identify the individual presenting the check as the rightful payee thereof and that the check is not one which may have come into possession by endorsement. A field service receipt will be issued for the money withheld to apply against the indebtedness.

b. Cashiers are authorized to accept checks written by representatives of the Disabled American Veterans (DAV) for beneficiary travel of nonhospitalized veterans, provided they are cashed by the veteran in whose favor they are drawn. The following negotiable instruments may be cashed for competent hospitalized and domiciled beneficiaries provided they are cashed by the veteran in whose favor they are drawn and do not exceed the amount of \$800 for any one individual instrument:

(1) Checks drawn on the United States Treasury.

(2) Postal money orders within period of negotiability.

(3) Checks drawn by State Government agencies, within period of negotiability.

(4) Certified checks.

(5) Travelers' checks.

(6) Telegraphic money orders.

(7) Bank drafts.

(8) Cashier's checks.

(9) Bank money orders.

(10) Express money orders.

c. Cashiers are also authorized to cash Treasury checks for nonhospitalized homeless veterans who wish to cash VA benefit checks on-site, but only to the extent permitted by the Agent Cashier's advance of funds. The benefit checks that may be cashed in these instances are those mailed in care of the Agent Cashier as described in Section A, paragraph 8. Note: Accommodation exchange authorization has only been extended in two instances to cash checks for nonhospitalized veterans by Treasury; DAV checks written for beneficiary travel and VA benefit checks mailed in care of Agent Cashiers.

d. Checks and money orders will be endorsed by the payee. Prior to cashing such instruments, the Agent Cashier will require the veteran to establish identity. The signature or "mark" as endorsement must be obtained for these instruments. "Mark" signatures must be supported by the signatures of two non-cashier witnesses.

e. A record will be maintained of all instruments cashed. No form will be provided for this purpose. Columnar sheets should be used to record the check number, date, amount, payee, drawer, name and location of drawer and signature of witness, where appropriate. This record, prepared in an original and one copy, will be annotated so as to identify the deposit ticket on which the instrument is deposited. The original will be retained by the Agent Cashier, and the copy will be routed to the Accounting activity, as outlined in Section B, paragraph 12.

f. Instruments other than checks drawn on the United States Treasury should be completely identified as to type of instrument; i.e., cashier's check, certified check, money order, etc., and the name and location of the drawee, amount, etc., and the bank identification number.

g. For checks drawn on the United States Treasury, only the check number, D.O. symbol and amount need to be shown.

## **17. EMPLOYEE TRAVEL VOUCHERS AND TRAVEL ADVANCES**

a. Cash or third party draft travel advances will only be issued when the employee does not have a Government issued Travel Charge Card. Any funds advanced will be covered by SF 1038, Advance of Funds Application and Account, in duplicate. Both copies will be signed by the traveler and the officer authorized to approve travel advances. The funds

must be receipted for by the traveler on the copy of the SF 1038, which will be used as a subvoucher for replenishment purposes.

b. Expenses representing cash or third party draft payment for travel reimbursement must be documented on SF 1012, Travel Voucher, which will be signed by an authorized approving officer.

**18. NURSES HIRED ON A FEE BASIS.** Payment will be made on the properly certified authorizing document, which will include a statement by the responsible administrative official that the services were received.

### **19. PAYMENTS TO EMPLOYEES FOR PERSONAL SERVICES**

a. An Agent Cashier is authorized to make cash payment to an employee for personal services when all of the following conditions have been met:

- (1) The employee's pay account is maintained in the PAID system.
- (2) The system provides for direct mailing of the employee's check to the employee or the employee's bank.
- (3) Available pay records indicate a check has been issued.
- (4) A signed certification by employee as to nonreceipt of check has been issued.
- (5) The Director has approved such payment.

b. For instructions concerning processing cash payment vouchers, check cancellation requests, etc., see MP-6, Part V, Supplement No. 2.3.

**20. PAYMENTS FOR TRANSPORTATION CHARGES.** The Agent Cashier is authorized to issue third party drafts or in the event that these are not acceptable, cash payments not in excess of \$100, either in advance or after completion of delivery for charges on domestic freight shipments, other than for household goods van shipments, moved on commercial bills of lading. Such vouchers are exempt from being forwarded to the General Services Administration, but will be retained at the station for site audit.

**21. GENERAL POST FUNDS.** The money and voucher may be released to the employee designated by the Director in exchange for a proper receipt. The receipted voucher will be returned to the Agent Cashier in exchange for the temporary receipt.

### **22. OPTIONAL CASH PAYMENT OF INCENTIVE AWARDS**

a. At the option of a facility Director or department or staff office head in Central Office, third party drafts or cash payments not to exceed \$500 may be made for incentive awards. If the latter option is selected, Agent Cashier funds may be advanced to the Director, or

department or staff office head in Central Office, or their designee for the purpose of making a cash award presentation.

b. Procedures for authorizing a cash payment of an incentive award are outlined in VA Manual MP-6, Part V, Chapter 3, Supplement No. 2.3, paragraph 3.05. These procedures provide for the preparation of SF 1128, Payroll for Personal Services, as the basic voucher to be used in making the cash payment. Upon receipt of an approved SF 1128 from the Payroll activity, funds may be advanced by the Agent Cashier to the Director or designee on a memorandum receipt. The SF 1128 will also be given to the Director or designee along with the funds advanced. It will be the responsibility of the individual who makes the cash award to obtain the signature of the payee on the SF 1128 indicating that the funds have been received in payment. The receipted SF 1128 will then be returned to the Agent Cashier in exchange for the memorandum receipt.

c. The receipted SF 1128 will be used as a subvoucher by the Agent Cashier when the SF 1129, Reimbursement Voucher, is prepared for replenishment purposes. Replenishment will be made from the VA suspense account, 36X6875. However, the replenishment may not be processed until notification is received from the Accounting activity indicating that the VA Form 4-4564, Transfer of Disbursing Authority, has been received from the Austin Finance Center and that the net amount of funds for the cash award has been deposited to suspense.

d. Instructions on issuing third party drafts for awards are covered in Section G.

**23. RECORDS FOR DISBURSEMENT FUNCTIONS.** The Agent Cashier will not be required to maintain formal records of individual transactions. The SF 1129. Reimbursement Voucher, on file will be sufficient for records and audit purposes.

## **SECTION D. SALARY CHECKS**

### **1. GENERAL**

a. The Fiscal/Finance Officer will recommend to the Disbursing Officer, Treasury Disbursing Center Austin, Texas, the name of an employee to be designated as agent to receive salary checks. Consistent with section 15, Manual of Procedures and Instructions for Cashiers, U.S. Treasury Department, the employee recommended will be the Agent Cashier, or alternate. SF 1195, Recommendation and Designation of Agent To Receive and Deliver Checks and Savings Bonds, will be used for this purpose. Checks will not be delivered to employees prior to payday; however, they may be mailed on a temporary basis to the entitled employees prior to the issuance date, if it is determined that delivery will not be made before that date. Other miscellaneous instructions pertaining to delivery procedures for salary checks and savings bonds are contained on the reverse side of SF 1195 and in the Department of the Treasury, Division of Disbursement Circular No. 143.

b. No checks will be delivered personally or by mail to an employee leaving the service until it has been determined that he/she is entitled to the full proceeds thereof. If it

develops that an employee is not entitled to the entire proceeds of a check or if any part of the information appearing thereon is erroneous, it will be returned to the disbursing office with a notation to that effect.

c. The insertion of an address on the face of a check or the correction of any data shown thereon is not authorized.

d. Checks which are undeliverable by either the Agent Cashier or the employee designated to distribute salary checks will be returned to the issuing Department of the Treasury Disbursing Office within 5 days after receipt, except when the employee to whom the check is drawn is on leave, that employee's check may be held for up to 30 days.

## **2. DELIVERY BY AGENT CASHIER**

a. When practicable salary checks shall be delivered personally by the Agent Cashier.

b. The Agent Cashier may mail checks to employees on leave or official travel as a temporary measure. Normally, the number of mailings should be limited to three consecutive checks. Upon receipt of a signed request from an employee the Agent Cashier will mail his/her salary check to the address indicated on the request. If the check is to be mailed to a bank, it is the responsibility of the employee to make the necessary arrangements with the bank and execute a power of attorney in favor of the bank. The signed request will be retained by the Agent Cashier. Telephonic or telegraphic request for the mailing of a check will be honored upon written request signed by the employee's supervisor. Generally, employees should prepare VA Form 4-1301a in duplicate to request the mailing of a check. The original will be used as a check insert. Only the copy, which will be retained by the Agent Cashier, need to be signed. A record will be maintained of all checks mailed.

c. Delivery of a salary check to a third party will be on the basis of VA Form 4-1301a or any signed request from the employee. The Agent Cashier will secure written receipts for checks which are delivered to a third party. Care will be exercised to assure that no salary check is delivered to a third party when it is indicated by the circumstances that the purpose is to circumvent the prohibition against assignment of salary. Therefore, a request for delivery to a third party will not be honored if it appears that the purpose of such delivery is to facilitate the collection of an indebtedness. In bankruptcy cases, when directed by a court of jurisdiction, the Agent Cashier will release an employee's salary check as directed in the court order. It is not necessary to obtain the permission of the employee in such cases.

**3. DELIVERY BY DESIGNATED EMPLOYEES.** Whenever it is not practicable for the Agent Cashier to deliver checks to employees personally, the Director, or his/her designee, will designate in writing an employee or employees (by name and title) for each administrative office to receive salary checks from the Agent Cashier and to deliver them to the other employees therein. To the extent feasible, designated employees should

not participate in the preparation or certification of the payroll voucher or personnel action documents, or in maintaining the payroll control or earnings records or the time and attendance reports. Salary checks of employees who are absent on payday and any other salary checks that cannot be delivered on payday will be promptly returned to the Agent Cashier prior to the close of business the same day.

**4. CHECKS TO BE RETURNED OR CANCELED.** Checks which are to be returned or canceled will be sent to the Austin Treasury Disbursing Center on VA Form 1409. A copy of the VA Form 1409 will be attached to VA Form 4-5642, Notice of Check Cancellation or Cash Collection. The column "Reason for Return" on VA Form 1409 will show that the check is to be canceled.

#### **5. OUT-OF-SYSTEM PAYMENT AND RECERTIFIED CHECKS**

a. Under certain conditions out-of-system payments will be made by the Austin Finance Center on a manually prepared payroll when the check cannot be issued on the computer-generated payroll. Refer to MP-6, Part V, Supplement No. 2.3, Chapter 3, paragraph 3.09, for the criteria for these payments.

(1) In such instances an original and one copy of VA Form 4-5298, Authorization of Out-of-System Payment will be completed and signed by the Fiscal Officer or designee. The original copy will be held by the Agent Cashier pending receipt of the out-of-system payment. All such checks will be mailed to the Agent Cashier for verification and delivery. Upon receipt of the check, the Agent Cashier will record the check number and amount on VA Form 4-5298 and verify that the "net pay" amount of the check is in agreement with the amount recorded on the form. The payee's signature should be obtained before the check is released. If the payee has authorized the check to be mailed, VA Form 4-1301a, Request for Delivery of Salary Check, should be cross-referenced on the VA Form 4-5298 with the date of release and the cashier's initials recorded in the blocks provided.

(2) The original copy of VA Form 4-5298 will be retained by the Agent Cashier for audit purposes. The duplicate copy will be filed in the employee's payroll folder.

b. Recertified salary checks are handled in a similar manner by the Agent Cashier. All claims concerning the nonreceipt of salary checks require the preparation of VA Form 4-5208, Request and Authorization for Recertified Salary Checks. Requests for recertified salary checks are processed in accordance with the provisions of MP-6, Part V, Supplement No. 2.3, Chapter 12.

(1) The Agent Cashier will place the original copy of the VA Form 4-5208 in a holding file pending receipt of the recertified check. Upon receipt of the recertified check, the Agent Cashier will record the check number and the amount of the check in the applicable blocks on the VA Form 4-5208 and verify that the amount of the recertified check is in agreement with the amount of the original check as recorded in the upper portion of the form. The Agent Cashier will obtain the signature of the payee prior to

distribution of the check to the payee. If the payee has authorized the check to be mailed, VA Form 1301a, Request for Delivery of Salary Check, should be cross-referenced on the VA Form 4-5208. The date of the release of the check and the initial of the cashier will be recorded in the blocks provided on the form.

(2) The original copy of VA Form 4-5208 will be retained by the Agent Cashier for audit purposes. The duplicate copy of the form will be filed in the employee's payroll folder.

## **SECTION E. CREDIT CARD COLLECTIONS**

### **1. GENERAL**

a. On September 24, 1987, the Department of the Treasury's Financial Management Service (FMS) announced the establishment of a Treasury Credit Card Collection Network to support Federal agencies' acceptance of credit cards from the public. FMS signed a contract with several financial institutions to process Visa and Mastercard transactions and provided each agency the opportunity to select the financial institution of choice. VA selected the National Bancard Corporation (NABANCO), 1401 NW 136th Avenue, Sunrise, FL 33323, to process VA credit card collections.

b. FMS is responsible for paying for the basic package of services, including the discount fees necessary for all Federal agencies to use the service. The only cost VA will incur is the cost of the credit card authorization equipment. Since all VA credit card collection transactions will be fully electronic, each facility will be responsible for the purchase of an electronic point of sale (POS) terminal and credit card imprinter. The cost of this equipment is approximately \$200 per facility. Training on the electronic POS terminal will be provided by NABANCO via telephone.

### **2. EQUIPMENT REQUIRED**

a. A Credit Card Imprinter is required to capture the customer's card number on the sales charge draft.

b. A Point of Sale (POS) Terminal provides the automated access to Sales Authorization Services and allows for electronic end-of-day settlement. Imprinter model 914 and terminal ZON Jr XL, TRANZ 300 may be obtained from the NABANCO, and must be programmed by them before transactions can be processed. Blanket approval authority was given for the purchase of the equipment via ALFLD TWX on May 18, 1988. (Note: POS terminals require modular telephone jacks.)

### **3. EQUIPMENT TRAINING**

a. NABANCO provides training on electronic draft capture systems by telephone and operating instructions are included with the shipment of POS terminals. NABANCO may be contacted on toll free number 1-800-622-2626, extension 4484 to schedule training.

b. Instruction manuals will also be provided by NABANCO on the preparation of the sales drafts and verification of the credit cards.

#### **4. INTERNAL OPERATING PROCEDURES**

a. Collections received via credit card will be receipted for in the same manner as for all other collections as stated in Section B, paragraph 9, with the exception that the two-part sales draft will be used in lieu of VA Form 4-1027, Field Service Receipt - General, to record the collection. Note: These forms are not considered accountable forms.

b. The electronic terminal eliminates the need to mail or deliver bankcard collections for deposit, since all credit card collections are authorized and processed through the POS terminal. The POS terminal allows for electronic end-of-day settlement by an online network which transfers the funds by wire from the financial institution to the Treasury account at the Federal Reserve Bank (FRB) in New York. The FRB will in turn transmit deposit information to the Riggs National Bank which will forward the hard copy SF 215 deposit ticket information to the Austin Finance Center, Reports Section, (0474B). Note: The consolidated deposit is recorded by Treasury within 24 hours so the deposit date on the computer-generated deposit ticket will reflect the next business day's date.

c. Collections processed through the POS terminal will be balanced at the end of each day, or as the first item of business on the next business day for settlement by the Agent Cashier. The terminal batch summary slip will be used in lieu of the paper SF 215 deposit ticket to record the electronic deposit. Since all electronic deposits are recorded by Treasury within 24 hours after transfer of funds by Fedwire, the Agent Cashier will annotate the terminal batch summary slip with the Julian date of the next business day after date of settlement. (Example: 163 will represent transactions that are settled on June 12, 1991. The three digit Julian date will always be prefaced with the numeric indicators 990 regardless of the Fiscal Year to indicate that this is an electronic deposit via credit card. So, for transactions settled on June 12, 1991, the Cashier will annotate the batch summary with 990163). The Cashier will also write the total amount of collections and the "OK" number in the spaces provided. The merchant's copy of the sales drafts will be attached to original copy of the terminal batch summary and forwarded to the Accounting activity to record the collection through the accounting system.

#### **5. ACCOUNTING INSTRUCTIONS**

a. All collections will be deposited to ALC 3600 1200. The Accounting activity will record credit card collections in the same manner as for all other collections except that the Julian date reflected on the terminal batch summary will be used in lieu of the SF 215 deposit ticket number for each 960 reference number. (Example: The first three digits of the reference number will always be 990 followed by the three digit Julian date reflected on the batch summary slip). Note: Since all credit card collections are recorded through the Centralized Accounting for Local Management (CALM) system, or the Financial Management System (FMS), the 960 transaction document date and reference number should reflect the same date.) At Regional Offices, the Accounting activity will record

the collections to their station's budget clearing account for Hines or the Centralized Accounts Receivable System (CARS), and will make the necessary disbursement from that account via SF 1081, Voucher and Schedule of Withdrawals and Credits, or VA Form 4-4564, Transfer of Disbursing Authority, to transfer the collections to CARS or Hines.

b. Sales drafts and the terminal batch summary should be retained in settlement date order to satisfy the retention standards of General Records Schedule 6, Item 1, Accountable Officers' Files.

c. NABANCO will provide the Austin Finance Center, Reports Section (0474B) with weekly and monthly reports showing all deposits and any chargebacks by location and by card type, for reconciliation purposes. Chargebacks for invalid charges will be returned to the facility for collection.

## **SECTION F. TRAVEL CHARGE CARD AUTOMATIC TELLER MACHINE (ATM) PROGRAM**

**1. ATM ENROLLMENT.** The policy and procedures covering the card application, the billing process and other information on the Travel Charge Card Program are found in the VA Employee Travel Management Manual, MP-1, Part II, Chapter 2, Appendix M. New card enrollees may obtain application forms for the Travel Charge Card and the ATM Personal Identification Number (PIN) from their Travel Coordinators, who will forward the applications to the charge card company for processing. The card and PIN will be mailed in separate envelopes to the employee's home address.

**2. EMPLOYEE PROCEDURES.** Employees requiring ATM cash travel funds should request an amount not to exceed the total of the estimated Meals and Incidental Expenses (M&IE) allowance and miscellaneous expenses, on VA Form 3-3036 Travel Authority for Temporary Duty Travel. The remarks section on the form should state that ATM cash travel funds are requested and the amount. Open Travel Authorizations state that ATM cash travel funds may be drawn up to the limit stated above. When approval is received the cash amount authorized may be drawn on any ATM machine on the charge card network. Some machines may limit the amount of cash that can be withdrawn in one transaction or in one day, and the maximum amount that can be drawn is \$1,000 weekly. Travelers checks may also be obtained with the PIN at selected machines, mostly located at airports. A service charge of 2.75% of the total cash or travelers checks drawn will be charged at the time of withdrawal and will be shown on the monthly statement. The service charge of 2.75% of the amount authorized is reimbursable and may be claimed on the SF 1012 Travel Voucher submitted for the trip. The billing will be included on the regular charge card monthly statement and must be paid within 25 days of the billing date. Failure to do so may result in the card or PIN being suspended or cancelled.

**3. FISCAL PROCEDURES.** Fiscal/Finance Officers will establish procedures to ensure that the Travel Coordinators monitor the monthly reports from the charge card company to ensure that the cards are only used for authorized travel expenditures and that

payments are made in a timely manner. Fiscal/Finance Officers should take appropriate action in the event that the coordinator reports unauthorized charges or cash withdrawals or funds drawn in excess of the authorized amount. On the recommendation of the employee's supervisor, the Fiscal Officer may request that the charge card company inactivate the PIN. Cash travel advances will not be issued to employees that have misused the program.

**4. COORDINATOR PROCEDURES.** Coordinators will ensure that the application and agreement form is properly completed before the application is forwarded to charge card company for processing. The signed agreement portion of the form should be retained on file. The monthly management reports from the charge card company should be monitored to ensure proper use of the card and that payments are made on time. Any misuse of the charge card should be reported to the employee's supervisor and the Fiscal/Finance Officer.

**5. VOUCHER AUDIT PROCEDURES.** ATM cash travel funds should not be shown as an advance of funds and will not be offset against the reimbursement claimed on the SF 1012, Travel Voucher. Voucher auditors should verify that the claim for reimbursement of the 2.75% service charge does not exceed 2.75% of the total cash or travelers checks funds authorized or received, whichever is lesser. Claims in excess of the authorized amount should be suspended.

**6. GENERAL INFORMATION.** The charge card company has provided a toll free number for reporting lost cards, disputed charges and other problems. This number is listed on the back of the card.

## **7. DESCRIPTION OF EMPLOYEE ATM OBLIGATIONS**

a. Participants in the Travel Charge Card program are reminded that VA policy requires that Government issued charge cards be used solely for expenses incurred for officially authorized travel. Personal emergencies will not be considered a justification for unauthorized use. Personal charge cards should be used for this purpose. This strict limitation also applies to ATM cash or travelers checks withdrawals obtained with the card.

b. Personal use of the charge card to obtain goods, services or cash, under any circumstances is a violation of the contract between the charge card company and the Government, and such use is specifically prohibited. This policy is stated in the VA Employee Travel Management Manual, MP-1, Part II, Chapter 2, Appendix M.

c. Beyond personal use, examples of conduct which are also considered improper include ATM withdrawals obtained without an approved travel authorization and ATM withdrawals in excess of authorized amounts. Repeated abuse will result in the PIN being inactivated. Cash travel advances will not be issued to employees that have misused the card.

d. Disputed charges and other problems should be reported immediately to the charge card company for resolution. If an account is delinquent over sixty days the card and PIN can be suspended or cancelled at the discretion of the charge card company.

## **SECTION G. THIRD PARTY DRAFTS**

**1. BACKGROUND.** Third party drafts are an acceptable alternative payment mechanism designed to offer facilities improved internal management controls, and provide an effective cash management method for reducing the Agent Cashier's advance. While third party drafts are mainly intended for imprest fund transactions, they should be used whenever it is determined to be advantageous.

**2. GENERAL.** The third party draft is similar to a check which is issued and drawn against a third party draft contractor. Fiscal Officers will designate the individuals at the facility that are authorized to issue drafts. Ordinarily this list will include Agent Cashiers, alternate cashiers, Imprest Fund Cashiers and certain other procurement personnel authorized to effect petty cash purchases. Drafts must be completed and signed by the authorized employees in the same manner as a check. The payee (vendor, beneficiary, employee) then deposits the draft in their bank or financial institution. When accepted, the draft flows through the banking system and is presented for payment at the contractor's bank. Agent Cashiers will distribute drafts only to those individuals who have been authorized to issue draft payments as listed above. Purchases paid for by drafts are subject to the same procedures required for cash imprest fund purchases. The maximum single draft transaction is limited to \$2,500. This maximum can only be increased by an approved waiver from the Department of the Treasury.

**3. SECURITY.** It is the responsibility of the Fiscal Officer to maintain an inventory of drafts sufficient to meet the facility's needs. Orders will be placed directly with the contractor. Upon receipt, the Agent Cashier will verify that the number of drafts delivered match those reflected on the delivery note. Any discrepancies should be noted and reported immediately to the Fiscal Officer and the contractor. An inventory and log will be maintained by the Agent Cashier, to show the receipt, distribution and issuance of all drafts. Each authorized employee must also maintain an inventory and log of all drafts received and issued by them. A report reflecting the drafts issued or voided and the inventory on hand should be submitted to the Agent Cashier each month. Since third party drafts are accountable forms, they must be safeguarded at all times and secured in the same manner as prescribed for other fiscal accountable items. They will also be included in the unannounced audit of the Agent Cashier/imprest fund activity.

**4. INTERNAL CONTROLS.** Authorized employees are administratively accountable for the drafts entrusted to them. They must ensure that all vouchers presented for payment under the draft system are reviewed for completeness, and accuracy, and that approval has been received from the authorized approving or procurement official. Authorized employees should complete and sign only those drafts specifically assigned to them by the Agent Cashier.

**5. DISBURSEMENT PROCEDURES.** Documentation required by VA for the issuance of a draft is the same as that for paying with cash. Sufficient documentation, i.e., purchase order, etc., must be in evidence before drafts are issued. Each completed draft must contain the following:

- a. The station number is required for identification purposes. Insert your three digit station number in the center blank space at the top of each draft.
- b. Each draft is pre-printed with a sequential serial number and must be used in numerical order. All drafts must be accounted for including voided drafts.
- c. In the information block enter a brief description of the goods or services purchased, and/or applicable data.
- d. In the authorization number block enter the five digit number assigned by the third party draft contractor.
- e. In the date block enter the date on which the draft is issued to the payee.
- f. In the pay to order of block enter the name of the payee (vendor, beneficiary, employee).
- g. In the amount block enter the exact amount of payment.
- h. The signature block can only be signed by the individual authorized to issue that series of drafts.

**6. COPY DISTRIBUTION AND ACCOUNTING PROCEDURES.** On a daily basis authorized employees will distribute draft copies as follows:

- a. The original copy is given to the vendor or payee.
- b. The first copy must be forwarded daily, with the supporting documentation, to the accounting activity to record in the appropriate accounts payable (TC 921.10, TC 921.20, etc.) This ensures that fund control records are updated and an accounts payable "PAT" record is established in the Master File. The first copy of the draft along with the supporting documentation will then be forwarded to the voucher audit section for audit. When the audit is completed the voucher audit section will return the draft and supporting documentation to the accounting section to be filed in a pending file until the facility is notified electronically by the Austin Finance Center that payment to the contractor has been accomplished.
- c. The second copy of the draft must be retained for a period of one year by the authorized employee issuing the draft.

**7. VOIDING DRAFTS.** If errors occur in any field except the money fields they may be corrected and initialed by the initiator. If errors occur in the money field the draft must be voided. Drafts that have not been cashed or have been returned by payees (vendors, beneficiaries, employees) must also be voided. To void a draft, stamp or write in ink diagonally across all copies "VOID NOT NEGOTIABLE." Do not destroy any copies, or obliterate the draft or authorization numbers. If the draft has been signed the signature should be obliterated.

**8. STOP PAYMENT REQUESTS.** In instances when a stop payment becomes necessary, the cashier must immediately contact the third party draft contractor's staff, who in turn will note the draft master record file to prevent acceptance during the daily validation runs. All verbal requests must be followed up in writing on the contractor supplied forms. Simply noting stop payment action in the draft file is not enough to stop payment through the banking system. The procedure outlined above will also be followed for lost or stolen drafts.

**9. REIMBURSEMENT TO THE CONTRACTOR.** When drafts are cleared through the contractor's bank, a daily invoice of the drafts cleared each day will be sent by electronic transfer to the Austin Finance Center. The invoice will indicate the draft number, the date the item cleared at the bank, the station number and the amount. When the invoice is received the Austin Finance Center will pay the total amount billed via electronic fund transfer (EFT) to Vendor ID Number TO6051486, using a TC 972.51 to establish each nonfederal advance at the individual station level, and using the draft number for the PAT reference record. The Austin Finance Center will ensure that the EFT payment is made within two working days after receipt of the invoice. Edits within the computer program will determine that the electronic invoice is supported by a valid VA station number and other necessary information. The Austin Finance Center will then transmit all reporting data to the involved facilities via a daily processed reference listing.

**10. RECONCILIATION.** Upon receipt of the daily processed reference listing a TC 972.06 will be accomplished by the facility accounting activity to offset the outstanding payables and the nonfederal advance. At that time a drafts paid file will be established. If there are any discrepancies with amounts stated on the draft file copies versus amounts shown cleared, the contractor's service department should be contacted in order to resolve the problems. Any reject transactions appearing on the daily processed reference listing must be corrected by the issuing facility.

**11. REJECT TRANSACTIONS.** Rejects will be returned to and will appear on the issuing station's reject message list. The station will use Vendor ID Number T06095319 and the CALM/FMS input TC 972.51 for correcting such rejects. The invoice or bill number field must be coded with the draft number for vendor identification purposes.

**12. NONRECEIPT OF SALARY CHECK**

- a. At the discretion of the Fiscal Officer, third party drafts may be issued, for the NET amount of salary as reflected on the corresponding payroll register, to those employees that have not received their salary checks as of the Monday following payday.
- b. Upon receipt of a properly executed VA Form 4-5208, Request and Authorization for Recertified Salary Check, the Agent Cashier will issue a draft to the affected employee.
- c. If the original salary check has not been received by the Tuesday following payday (the day after the issuance of the draft), the facility payroll activity should contact the Austin PAID section on 512-389-5235 to request STOP PAYMENT ACTION. The employee should be instructed to bring the original salary check to the fiscal activity as soon as it is received.
- d. If stop payment action has not been requested, the Treasury check will be endorsed over to the Agent Cashier for deposit and clearance of the salary advance. If the stop payment action has already been requested, the facility payroll activity must contact the Austin PAID Accounting section on 512-389-5212 to request that the stop payment action be removed, before the check can be endorsed over to the Agent Cashier for deposit and clearance of the salary advance. In this instance the accounting activity will record only one transaction of TC 960.00 FSC.01 to offset the established nonfederal advance, when the draft is shown as cleared. No entry is required by the facility at the time of draft issuance.

### **13. INCENTIVE AWARDS AND ADVANCE SALARY PAYMENTS**

- a. When third party drafts are used to pay incentive awards or for advance salary payments (except for recertified or lost check requests), transactions must be recorded in the PAID system to ensure that the employee's annual W-2 form is correct. To record these payments in the PAID system, transactions in the 90 series must be used to update the employee's master record and place the net amount in suspense (36X6875). When the draft has been negotiated the contractor will bill Austin electronically. Payment of the net amount to the contractor initiates an advanced payment PAT record at the field facility, identified by the draft number, The facility should input TC 972.06 into the system to offset the suspense PAT record against the nonfederal advance.
- b. Payments found not to be recorded in the PAID system must be corrected and a W-2C form must be issued to the employee. The request for a W-2C form to be issued should be submitted to Austin on VA Form 4-9997.

**14. PFOP FINAL WITHDRAWAL OF FUNDS.** The use of drafts for this activity is recommended for beneficiary discharges. When paid documentation is received from the Agent Cashier, the Accounting activity will record a TC 921.25 to establish a payable and a TC 972.06 to offset both the payable and the nonfederal advance, when notification of clearance is received from the Austin Finance Center.

**15. COURT FILING FEES.** These fees may be paid by draft when appropriate. Upon receipt of paid documentation, the Accounting activity will record a TC 972.10 to establish the appropriate payable, and a TC 972.06 to offset the payable and nonfederal advance, when notification of clearance is received from Austin.

**16. TUITION CHARGES.** Drafts are recommended in cases where advance educational payments to colleges and universities are required on behalf of approved VA employees. Drafts may also be used to reimburse the employee for approved tuition charges they have paid. The accounting transactions are the same as those stated in paragraph 15 above.

**17. SUBSCRIPTIONS.** The use of drafts are recommended for subscriptions requiring advance payment with identifying enclosures. The accounting transactions are the same as stated in paragraph 15 above.

## **18. ORDERING INFORMATION**

a. Drafts are supplied in books of fifty, with a minimum order of five hundred. Orders must be placed by purchase order for delivery directly to the Agent Cashier's office. Deliveries should be stored immediately in a secure place. Replenishment orders should be made at least thirty days prior to their anticipated need. The ordering address is as follows:

Gelco Pay Network

10700 Prairie Lakes Drive

Eden Prairie, MN 55344-3886

b. The cost per draft is .67 cents or \$33.50 per book. Requests for photo copies of drafts are \$5.00 per draft. Charges for processing draft rejects are \$5.00 per draft. All charges will be billed to each facility by regular vendor invoice and will be processed as a certified invoice. Payments are subject to the Prompt Payment Act, and the terms are net thirty days from date of invoice. The TC 972.21 input must include the following information:

Stub Name - GEL

Vendor Identification Number - TO6051486

(Note: This number will only be used to pay for invoices issued by GELCO for draft orders or services.)

## **19. OTHER INFORMATION**

a. The following customer assistance telephone and FAX numbers are available Monday through Friday from 7.30 a.m. to 5.00 p.m. CST.

(1) General information toll free number: 1-800-444-8519.

(2) Technical matters such as voided drafts, requests for stop payment, reports of lost or stolen drafts and questions on invoice billings should be referred to the Customer Administration Department on 612-947-1501.

(3) FAX numbers: 612-947-1525 or 1650.

b. The Fiscal Officer and one other person should be designated as the facility contacts to resolve technical matters with the contractor.