Financial Policy

Volume V

Assets

Chapter 2
Cash, Fund Balance with Treasury, and Imprest Funds

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Assistant Secretary for Management and Chief Financial Officer
# Department of Veterans Affairs
Cash, Fund Balance with Treasury, and Imprest Funds

**Volume V – Chapter 2**

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0201 Overview

This chapter establishes the Department of Veterans Affairs’ (VA) financial policies relative to cash and Fund Balance with Treasury (FBWT), including imprest funds and funds deposited in non-Treasury general accounts.

Key points covered in this chapter:
• VA will record in its accounting system cash transactions held by Treasury and those invested outside of Treasury;
• VA will reconcile FBWT per the accounting system with Treasury’s Central Accounting Reporting System (CARS) balances;
• VA will report FBWT in the Annual Financial Report (AFR) in accordance with Office of Management and Budget (OMB) Circular A-136 (Financial Reporting Requirements) and Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities; and
• Office of Financial Policy must review requests for the establishment of any imprest funds other than those for Agent Cashiers.

0202 Revisions

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<tr>
<td>Various</td>
<td>Reformatted to new policy template and completed five-year update</td>
<td>OFP (047G)</td>
<td>Reorganized chapter layout</td>
<td>March 2022</td>
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<tr>
<td>Various</td>
<td>Merged policy Volume VIII Chapter 5 Imprest Funds into this chapter.</td>
<td>OFP (047G)</td>
<td>Streamlining policies and merging policies with similar purposes and content.</td>
<td>March 2022</td>
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0203 Definitions

**Agency Location Code (ALC)** – A numeric symbol assigned by Treasury to identify an agency accounting and/or reporting office.

**Cash Held Outside Treasury** – Funds under the custodial responsibility of Federal government agencies and/or their employees, officers or agents that are deposited in non-Treasury accounts or held on station for business operations.

**Central Accounting Reporting System (CARS)** – Handles accounting and reporting for all Federal agencies. CARS is the electronic system of record for the government’s
financial data which provides streamlined agency reporting and supports government-wide standardization.

**Fund Balance with Treasury (FBWT)** – The aggregate amount of funds on deposit with Treasury, including general funds, deposit funds, trust funds, special funds, and revolving funds. FBWT is an asset of the VA and a liability of the General Fund of the Treasury. FBWT does not represent a net asset to the Government as a whole.

**Imprest Fund** – A fixed or petty-cash fund in the form of currency that has been advanced to a cashier.

**Treasury General Account** – The account maintained by financial institutions with appropriate designation and authorizations for deposits and processing of collections by U.S. Government agencies.

**0204 Roles and Responsibilities**

**Under Secretaries, Assistant Secretaries, Other Key Officials, Chief Financial Officers, and Fiscal Officers** are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

**Accountable Officer**, receives and maintains public funds, certifies vouchers, or maintains or draws checks upon accounts of the United States, including those in depositary banks designated by the Secretary of the Treasury.

**Administrations/Offices with FBWT and cash activity** perform timely recording and reconciliation of FBWT, CARS reporting, and cash related transactions.

**Agent Cashier** is designated as a cashier by an approving official and is authorized to disburse cash or carry out other cash-related activities. Principal agent cashiers who are authorized to make payments from funds advanced to them are regarded as a category of disbursing officers.

**Approving Official** is responsible for designating disbursing officials.

**Financial Service Center (FSC)** is responsible for FBWT reconciliations and approvals.

**Office of Financial Policy** is responsible for the review and approval of requests to establish imprest funds.
0205 Policies

020501 General Policies

A. VA will furnish the Secretary of the Treasury with such reports and information, as required by 31 U.S.C. § 3513, to carry out its central accounting and reporting responsibilities.

B. VA will follow TFM Volume 1, Part 2, Chapter 3400 in handling cash transactions.

C. VA accountable officers who hold funds outside of the U.S. Department of the Treasury (Treasury) will only do so pursuant to 31 U.S.C. Chapter 33 and when payment by electronic funds transfer is waived in accordance with the provisions of 31 C.F.R. § 208.4.

D. Prior to establishing an imprest fund, VA will review all other payment options available to ensure an alternative approach is not available.

E. Administration and Staff Offices will submit requests and justification for exceptions to Treasury’s moratorium on establishing imprest funds to the Office of Financial Policy. OFP will review and submit requests for exceptions to the Department of Treasury for consideration.


020502 Accounting for Cash, FBWT, and Imprest Funds

A. VA will follow Statement of Federal Financial Accounting Standards No. 1, Accounting for Selected Assets and Liabilities pertaining to cash, FBWT and imprest fund transactions.

B. VA will follow the instructions in Treasury Financial Manual (TFM) Volume 1, Part 2, Chapter 5100, in handling Fund Balance with Treasury (FBWT) accounting, reconciliation, and reporting transactions, as well as providing reports and information about its financial condition, operations and reconciliations to agency management, auditors and Treasury.

C. VA will post transactions impacting FBWT, imprest funds and cash deposited, held and/or invested outside of the Treasury in accordance with the USSGL to ensure all transactions recorded within the subaccounts that roll up to the FBWT account are properly reported to Treasury.
D. VA will submit an adjusted trial balance, inclusive of FBWT USSGL accounts, to Treasury through the Governmentwide Treasury Account Symbol (GTAS) reporting process on a monthly basis.

E. VA will record the appropriate Business Event Type Code on all FBWT transactions.

**020503 Reconciliation of Cash, FBWT, and Imprest Funds**

A. In accordance with TFM Volume 1, Part 2, Chapter 3400, VA will reconcile, on at least a quarterly basis, cash held outside Treasury per reports received from financial institutions with VA accounting records and related statements.

B. VA will reconcile FBWT to the Central Accounting Reporting System (CARS) Account Statement monthly in accordance with TFM Volume 1, Part 2, Chapter 5100. FBWT is an intra-governmental asset with Treasury. Differences in the balance of FBWT submitted to Treasury compared to what is shown in CARS is reported as an Intragovernmental Transaction difference that needs to be reconciled in accordance with VA Financial Policy Volume I, Chapter 11 - Intragovernmental Transactions.

C. Imprest funds will be reconciled monthly in accordance with VA Financial Policy Volume VIII, Chapter 3 – Agent Cashier Accountability Policy.

D. Reconciliations of FBWT will be documented, reviewed, and approved by FSC.

E. FSC will reconcile FBWT for each fund symbol and budget clearing account (suspense account) with Fiscal Service records (i.e., CARS Account Statement; Expenditure Transactions Report; and Available, Unavailable, and Unappropriated Receipt Account Reports), at minimum, on a monthly basis, and more frequently as needed.

F. FSC will record changes to the FBWT account with Fiscal Service through CARS reclassification submissions.

G. All reclassifications of FBWT, and adjustments to Cash and FBWT will be properly documented, researched and traced to supporting documentation.

H. FSC will ensure reliability of receipt and disbursement data, timely reconciliation, implementation of effective and efficient reconciliation processes and approvals of adjustments to FBWT.

**0206 Authorities and References**

*31 C.F.R. Part 208, Management of Federal Agency Disbursements*

31 U.S.C. Chapter 33, Depositing, Keeping and Paying Money

Central Accounting Reporting System - Types of Transactions Reported in CARS
Classification Transactions and Accountability (CTA) (treasury.gov)

Department of Treasury, United States Standard General Ledger (USSGL)


Public Law (P.L.) 104-134 Section 31001, Debt Collection Improvement Act of 1996

Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities

TFM, Volume I, Part 2, Chapter 5100, Reconciling Fund Balance with Treasury Accounts

TFM Volume I, Part 4A, Chapter 3000, Section 30170, Authority to Disburse Imprest Funds

Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 3400, Accounting for and Reporting on Cash and Investments Held Outside of the U.S. Treasury

USSGL Imprest Fund Implementation Guidance

VA Financial Policy Volume I, Chapter 11 - Intragovernmental Agreements

VA Financial Policy Volume VIII, Chapter 3 - Agent Cashier Accountability Policy

0207 Rescissions


B. VA Financial Policy, Volume VIII, Chapter 5 – Imprest Fund, November 2020

0208 Questions

Questions concerning these financial policies and procedures should be directed as shown below:
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