

VA Financial Policies and Procedures  
Agent Cashier Accountability Policy

CHAPTER 3

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## 0301 OVERVIEW

This chapter reflects the Department of Veterans Affairs (VA) financial policies and procedures relating to the activities of the Department's authorized agent cashiers. Agent cashiers or any other designated employees (employees who have been designated to certify and disburse funds, including MCCF clerks, research clerks, PFOP clerks, travel clerks and other accounting support personnel) perform multiple roles, including managing disbursing funds and processing transactions that do not become part of these funds. This chapter prescribes required actions to maintain financial control and accountability over these activities. A list of Federal Government and VA standard and optional forms, used by agent cashiers, is contained in Appendix A.

The Department of the Treasury's (Treasury) Financial Management Service (FMS) published the Imprest Fund Policy Directive, dated November 9, 1999, requiring all Federal agencies to eliminate their use of imprest funds by October 1, 2001. This policy directive was issued in accordance with the requirements of the Debt Collection Improvement Act (DCIA) of 1996. DCIA requires most Federal payments made after January 1, 1999, to be made by electronic funds transfer (EFT), subject to the authority of the Secretary of the Treasury to grant waivers. Treasury implemented the DCIA by issuing its regulation known as the Treasury EFT Rule (31 C.F.R. Part 208).

030101 AUTHORITY FOR AGENT CASHIER. VA will designate certain employees to become disbursing officials, as authorized in 31 U.S.C. 3321, to expend public money (e.g., Principal Agent Cashiers). These funds are used to satisfy the cash needs of Veterans and/or to address declared or other emergency conditions. VA management will comply with Departmental guidance to ensure proper physical security controls are in place and provide effective protection over the Agent Cashier function, as specified in VA Handbook 0730, *Security and Law Enforcement*, Appendix B.

030102 FUNDING ACTIONS FOR AGENT CASHIER. VA will establish a single agent cashier disbursing fund per field facility. The size of the disbursing fund will be set at the minimum cash amount required to meet the needs of the Veteran population serviced by the facility. The field facility can process requests to increase/decrease the size of the fund, when necessary.

030103 RECEIPT ACTIONS FOR AGENT CASHIER. Agent cashiers will account for all cash and other undeposited collections prior to requesting fund replenishment, which will be by EFT. Agent cashiers will receive miscellaneous collections for processing, but such collections cannot be commingled with the assets of the agent cashier disbursing fund. Agent cashiers will examine all remittances for omissions and discrepancies before any deposits can occur.

030104 DISBURSEMENT ACTIONS FOR AGENT CASHIER. Agent cashiers will make legitimate disbursements on a wide range of financial transactions. Various negotiable instruments, such as Treasury benefit checks, will be accepted and cashed

for Veterans by agent cashiers. VA will adhere to the requirements of Volume XVI, Chapter 1, *Government Purchase Card*, on the use of convenience checks by agent cashiers.

030105 SPECIAL ACTIONS FOR AGENT CASHIER. Agent cashiers receive employee salary checks for distribution. Convenience checks will not be used to issue any salary-related payments, in accordance with Volume XVI, Chapter 1, *Government Purchase Card*. VA will adhere to GAO's Principles of Federal Appropriations Law, requirements in addressing agent cashier shortages. All fund shortages will be investigated and if necessary, turned over to local law enforcement. Overages of funds will be deposited in the General Fund Receipt Account. Unannounced audits or spot checks will be conducted, as described more fully in Appendix N, to verify the integrity of the agent cashier's disbursing funds. Regular fund reconciliations will be prepared to verify the status of any agent cashier fund at any given time.

030106 CERTIFICATION ACTIONS FOR AGENT CASHIER. Facility directors, or their designees, will ensure agent cashiers' accountability reports are forwarded to the Financial Services Center (FSC) on a monthly basis for facilities that have cash on hand.

## 0302 POLICIES

030201 AUTHORITY FOR AGENT CASHIER.

A. VA will designate certain employees to become disbursing officials, as authorized in 31 U.S.C. 3321, for approved disbursement of funds (e.g., Principal Agent Cashiers) to expend public money for bona fide purposes.

B. All Principal Agent Cashiers and Alternate Agent Cashiers who issue convenience checks must complete the online Purchase Card training course and receive delegation of authority (VA Form 0242c) to issue convenience checks from the Head of Contracting Activity (HCA) or designee, in accordance with VA's Purchase Card policy, Volume XVI, Chapter 1, *Government Purchase Card*.

C. VA will establish agent cashier disbursing funds with fixed amounts, as necessary, to satisfy the cash needs of Veterans who require an immediate source of funds for bona fide purposes and/or to address declared or other emergency conditions. These agent cashiers will maintain effective control over fund resources.

D. VA will designate an approving official with the responsibility for appointing and/or revoking an agent cashier's authority as a disbursing official without having to obtain the advanced approval of Treasury's FMS.

E. VA will ensure an effective internal control environment exists surrounding the agent cashier's operations, including the implementation of adequate physical security controls, as required by VA Handbook 0730, *Security and Law Enforcement*, Appendix B.

F. VA will ensure that agent cashier operations are not interrupted by any foreseen or unforeseen absence of a Principal Agent Cashier. At least once every 12 months from the transfer date, there will be a complete transfer of responsibility and accountability to an Alternate Agent Cashier. VA facilities will prepare and forward an OF 211, *Request for Change or Establishment of Imprest Fund* (Request for Change form), to the FSC's Agent Cashier Accountability Activity whenever a transfer of funds is necessary. See Appendix B for additional information on the transfer of accountability of funds.

#### 030202 FUNDING ACTIONS FOR AGENT CASHIER.

A. VA will generally establish and maintain only a single agent cashier disbursing fund per field facility for use by agent cashiers. Advances from Treasury will be processed into VA's approved agent cashier disbursing funds. Purchase cards or convenience checks will not be used to establish, maintain or replenish such funds.

B. VA will limit the size of the agent cashier disbursing fund for the agent cashier's use to the minimum amount of cash required to meet normal operating needs of the Veteran population serviced by the facility. The field facility can process requests to increase/decrease the size of the fund, when necessary. Refer to Appendix N, page 95, for possible calculations to determine the proper fund size.

C. The Principal Agent Cashier (either Class "A" cashier or Class "B" cashier) with legal accountability will advance funds to other designated employees (e.g., Alternate Agent Cashier) or receive prior advances back upon the revocation of any designation. VA will ensure the proper approvals are obtained when designating a new appointment or revoking an existing appointment of an agent cashier position, including preparing and forwarding an OF 211, *Request for Change or Establishment of Imprest Fund* (Request for Change form) to the FSC.

#### 030203 RECEIPT ACTIONS FOR AGENT CASHIER.

A. Agent cashiers will perform a complete verification of the cash accountability and undeposited collections prior to requesting fund replenishment, which will occur daily if necessary. Replenishment will be by EFT. The Chief of the Finance Activity will perform a monthly reconciliation of the account established and maintained at the financial institution. In order to avoid a conflict of interest and maintain segregation of duties agent cashiers will never perform the reconciliation.

B. Agent cashiers will receive miscellaneous collections from various sources in the form of cash, checks, bank drafts, traveler's checks, money orders and credit card collections. The agent cashiers will ensure that such collections are not commingled with the assets of the disbursing fund. These miscellaneous collections will be deposited to the proper VA account at an approved Treasury General Account (TGA) bank, a Federal Reserve Bank (FRB), or returned to Treasury.

C. Agent cashiers will examine all remittances for omissions and discrepancies before any deposit can occur and take the necessary steps to resolve any problems that would preclude the timely processing of fund deposits.

D. Agent cashiers will complete the proper standard forms in preparation for any deposits. The frequency of deposits will be determined by the daily dollar volume of funds received at an individual VA facility. When deposits are shipped, the possibility exists that losses may occur. The agent cashier will report such losses to the proper authority for investigation. Uncollectible checks will be charged against the account of the U.S. Government by the specific depository. See Appendix H for additional information on the frequency of depositing collections and the proper standard forms.

#### 030204 DISBURSEMENT ACTIONS FOR AGENT CASHIER.

A. Agent cashiers will make legitimate disbursements on a wide range of financial transactions. In addition, the agent cashier will accept and make payment on a variety of negotiable instruments, including Treasury benefit checks.

B. Agent cashiers will use convenience checks to pay for goods and services in support of official Government business, in accordance with Volume XVI, Chapter 1, *Government Purchase Card*. Convenience checks are a payment and/or procurement tool intended only for use with merchants that do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the charge card.

C. During an emergency/disaster when a Veteran is unable to use a selected financial institution, the agent cashier should use the proper procedures in place to increase the agent cashier funds to make funds available to the Veteran.

For additional information on emergency/disaster, refer to Appendix I, Paragraph B, Disbursement of Funds During Declared Emergency.

#### 030205 SPECIAL ACTIONS FOR AGENT CASHIER.

A. Agent cashiers will arrange for the delivery of any employee salary checks that have been forwarded to him or her for processing. Any such check that cannot be distributed and has been determined to be undeliverable will be returned to the appropriate issuing Disbursing Office within five days after receipt by the agent cashier. When it can be determined an employee is on leave, the check may be held for up to 30 days after receipt by the agent cashier.

B. VA will adhere to the requirements in GAO's Principles of Federal Appropriations Law, Volume II, Chapter 9, *Liability and Relief of Accountable Officers*, in addressing any agent cashier shortages. Fund shortages will be investigated by the Chief of the Finance Activity or designee, for resolution including notifying the FSC. If necessary,

the matter will be turned over to local law enforcement for further investigative action. See Appendix M for additional information on losses to the agent cashier funds.

C. Agent cashiers will, in the case of any overages, deposit the excess funds in the General Fund Receipt Account 36\_1060, *Forfeitures of Unclaimed Money and Property*.

D. Facility directors, or their designees, will ensure that unannounced audits or spot checks are conducted of the Agent Cashier's advance and undeposited collections at least quarterly sometime within the four annual 90-day cycles to maintain the integrity of the agent cashier's disbursing funds, and twice a year for cashless Agent Cashier Activities. These periodic checks will be conducted at a frequency determined appropriate by VA and any audit findings. Any irregularities discovered by the auditor will be addressed in a timely manner by officials responsible for disbursing fund activities. Facility directors will modify the level of cash advances to the disbursing funds as a result of these audits.

E. Reconciliations of fund activities will be prepared by the facility director, or designee, to verify the status of any agent cashier disbursing funds at any given time. In addition, accountability reports will be prepared by the FSC Agent Cashier Accountability Activity and forwarded to the FSC on a monthly basis.

F. VA will ensure that certain types of transactions involving funds not handled by the agent cashier, such as volunteer organizations paying for insufficient postage on beneficiaries' incoming mail, funds received by the Veterans Canteen Service activities, and sealed contract bids, are not delivered to agent cashiers prior to initial processing.

G. Paper Check Conversion Over The Counter (PCC OTC) – Treasury's FMS announced the establishment of the Paper Check Conversion Over the Counter (PCC OTC) to incorporate the PCC OTC processes into VA's existing internal operating procedures. The PCC OTC process is an automated system that improves the collection, reconciliation, research and reporting processes associated with Federal Agency check collections. The PCC OTC increases customer service while improving agency financial management and cost reduction. For additional information on PCC OTC requirements and procedures, refer to Appendix L.

#### 030206 CERTIFICATION ACTIONS FOR AGENT CASHIER.

Facility directors, or their designees, will ensure that monthly accountability reports, indicating the status of the agent cashier disbursing fund, are prepared and forwarded to the FSC as part of their annual internal controls reviews.

### 0303 AUTHORITY AND REFERENCES

[030301 31 U.S.C. Chapter 33 - Depositing, Keeping and Paying Money](#)

[030302 31 U.S.C. 3527, General authority to relieve accountable officials and agents from liability](#)

- 030303 31 C.F.R. 202, Depositories and Financial Agents of the Federal Government
- 030304 31 C.F.R. 208, Management of Federal Agency Disbursements, Final Rule
- 030305 Treasury Financial Manual (TFM), I TFM 4-1100, Delegations and Designations of Authority for Disbursing-Related Functions
- 030306 I TFM 5-2000, Checks and Cash Received in Collections
- 030307 I TFM 5-3000, Deposit Ticket
- 030308 I TFM 5-4000, Making Deposits
- 030309 I TFM 5-4500, Deposits to Treasury through the Fedwire Deposit System
- 030310 I TFM 5-4700, Plastic Card Collection Network
- 030311 Treasury Manual of Procedures and Instructions for Cashiers
- 030312 Treasury's Imprest Fund Policy Statement
- 030313 GAO Principles of Federal Appropriation Law, Volume II, Chapter 9, Liability and Relief of Accountable Officers
- 030314 Comptroller General Decision, B-309267, Relief of Accountable Officer at Veterans Affairs Medical Center, January 15, 2008
- 030315 Comptroller General Decision, B-243749, October 1991 Decision of Socolar
- 030316 Federal Reserve Banks' Cash Operations Manual of Procedures
- 030317 VA Directive 0730/1, Appendix B, Physical Security Requirements and Options

#### **0304 ROLES AND RESPONSIBILITIES**

030401 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

030402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

030403 Delegation of Authority and Functions of Principal Agent Cashiers and Alternate Agent Cashiers.

A. Principal Agent Cashiers will keep all funds safe and separate from other funds by not commingling the funds with any other Government's funds. Principal Agent Cashiers will not, at any time, loan cash from the agent cashier disbursing funds, use the funds for personal purposes or benefit, or deposit public money in financial institutions.

B. Principal Agent Cashiers will only advance funds to cover normal operating needs. Such advances will only be made to permit uninterrupted disbursing service during short absences of the Principal Agent Cashier or when the volume of work requires the services of an Alternate Agent Cashier.

1. Alternate Agent Cashiers will sign an interim receipt for cash for the amount of the advance. Alternate Agent Cashiers will retain this receipt to account for the full amount of the fund. The Alternate Agent Cashier's paid vouchers and outstanding cash will equal the amount of the interim receipt for cash issued.

2. Alternate Agent Cashiers' advances will be replenished for the amount of the paid receipts. If an alternate continues in a disbursement role, then the alternate will return all paid vouchers to the advancing official at the end of each business day. Alternates will not submit a "Reimbursement Voucher and/or Accountability Report" for paid vouchers unless an official transfer of funds has been completed. When an alternate's role discontinues, a full accounting of cash and paid vouchers will be made to complete official transfer of funds.

3. If a Principal Agent Cashier is absent and replenishment is required to maintain the agent cashier disbursing fund, then a transfer will be made in an alternate's name. The amount of the transfer will equal the amount needed to carry out normal disbursing activities. When the Principal Agent Cashier returns to work, the alternate will return all paid vouchers to the fund and reduce the advance to the original amount. An OF 211 is required for all transfers of funds to Alternate Agent Cashiers. See Appendix B for additional information on the transfer of funds.

C. Alternate Agent Cashiers are held accountable by submitting signed subvouchers to the Principal Agent Cashiers for replenishment at least once each month or by indicating to the Principal Agent Cashiers that there was no activity for the month.

## 0305 PROCEDURES

### 030501 AUTHORITY FOR AGENT CASHIER.

#### A. Authority for Using Agent Cashier Funds.

Agent cashiers are allowed to disburse public money under the authority of 31 U.S.C. 3321, “Disbursing Authority in the Executive Branch,” which provides that “...only officers and employees of the Department of the Treasury designated by the Secretary of the Treasury as disbursing officials may disburse public money available for expenditure by an executive agency.”

#### B. Establishment of Agent Cashier Operations

1. For reasons of economy and efficiency, it was also provided that “[t]he Secretary [of the Treasury] may delegate the authority to disburse public money to officers and employees of other executive agencies.”

2. The Treasury’s Chief Disbursing Officer has delegated the authority to disburse public money to Federal agency heads, or their designees, for purposes of agent cashier fund management.

3. All agency heads, or their designees, have the authority to delegate agent cashier appointment and revocation responsibility to an individually named approving official within the agency without the approval of the Treasury’s FMS. These individuals are typically finance or accounting officials.

4. Approving officials are selected by Federal agency heads or their designees by signing FMS Form 2958, *Delegation of Authority*. Approving officials are not permitted to redelegate their authority. Delegation of Authority forms must be renewed every 2 years. FMS recommends that Federal agency heads and their designees be guided by the Federal Managers' Financial Integrity Act (FMFIA) when designating approving officials. Treasury’s FMS reserves the right to review delegations periodically and reserves the right to revoke this authority if it is deemed that there is any misuse or abuse by Federal agency approving officials or when the form expires.

#### C. Appointment of Agent Cashiers

1. The approving official appoints an agent cashier by completing a Treasury Form OF 211 or VA Form 0901, Request for Change or Establishment of Imprest Fund (Request for Change form). Agent cashiers will be employees of VA. All Treasury Form OF 211 or VA Form 0901 will be forwarded for processing to the FSC’s Agent Cashier Accountability Activity. The Treasury Form OF 211 or VA Form 0901 must contain the principal agent cashier’s name and the signature of the facility director with an approved FMS 2958 at the time a new Treasury Form OF 211 or VA Form 0901 is prepared.

2. Alternate Agent Cashiers will be designated at facilities where the volume of small purchases is too large to be effectively handled through the Principal Agent Cashier or where the distance between the Finance Activity and the Acquisition and Materiel Management Activity is considerable.
3. Principal Agent Cashiers and Alternate Agent Cashiers will be designated by name and in writing by the facility director. The designation will specify the type of payment each cashier is authorized to make. A memorandum signed by the facility director will be used to revoke the designations, when necessary. A copy of each designation or revocation will be furnished to the particular agent cashier involved. Agent cashier designations do not require the concurrence or notification of the Treasury's Disbursing Officer. See Appendix B for additional information on designation of agent cashiers.
4. When it becomes known the Principal Agent Cashier's position will become vacant, a replacement will be selected.
  - a. The outgoing Principal Agent Cashier will claim reimbursement for all unscheduled subvouchers on OF 1129, *Reimbursement Voucher*. The entire advance will then be given to the new Principal Agent Cashier.
  - b. The new Principal Agent Cashier will provide a signed memorandum or other receipt form, specific to a location/facility, to the departing Principal Agent Cashier acknowledging transfer of funds. The interim receipts documenting advance of funds to alternate agent cashiers will be returned to the outgoing agent cashier.
  - c. If the new Principal Agent Cashier has not been designated before the outgoing Principal Agent Cashier leaves, the same procedure will be used to transfer the account to an Alternate Agent Cashier. This alternate will be accountable until a new Principal Agent Cashier is designated and accountability transferred.

#### D. Internal Controls and Fund Security

##### 1. Separation of Duties

- a. Generally, an approving official will not be responsible for any activity that would result in an inappropriate influence on another activity. For example, if the Chief of the Finance Activity, as an approving official, signs a Request for Change form to designate an agent cashier, the Chief of the Finance Activity will not also audit the *Reimbursement Voucher and/or Accountability Report* for that agent cashier. See Volume VIII, Chapter 1, *Administrative Fiscal Policies and Procedures*, for additional information on separation of duties.
- b. The Chief of the Finance Activity will separate the duties of any Alternate Agent Cashier in accordance with the following guidelines:

- A Principal Agent Cashier may have more than one alternate.
- Alternate Agent Cashiers will not work for more than one Principal Agent Cashier.
- Where the volume of transactions requires both the Principal and Alternate to act simultaneously, the Principal Agent Cashier will advance funds to the Alternate Agent Cashier on a receipt basis.

## 2. Fund Security

a. Agent cashiers will be assigned office space that will afford the proper security protection and permit duties to be performed without funds or valuable documents being accessible to other employees, including Finance Activity employees.

(1) Detailed specifications regarding security requirements for the agent cashier area are contained in VA Handbook 0730, Appendix B. The General Services Administration (GSA) Class 5 safe or vault used for the agent cashier function will be assigned to the Principal Agent Cashier and Alternate Agent Cashier.

(2) Under no circumstances will funds other than those received in connection with the employee's official duties be placed in the safe or vault, which should remain locked when not in use. This requirement, likewise, applies to any cash drawers being used. To ensure proper protection of funds and documents for which the Principal Agent Cashier and any Alternate Agent Cashier are individually responsible, lockable cash boxes will be procured. The cash boxes will be provided with duplicate keys, one of which will be in the possession of the employee to whom a cash box has been assigned.

(3) VA will place the combination to a safe and duplicate key to the cash boxes, if applicable, in a sealed envelope properly signed, dated and placed in the facility director's safe. Sealed envelopes should not be transparent or opaque to allow for someone to decipher the content. This practice will enable other authorized VA officials to open the safe or vault and cash boxes in an emergency situation. The sealed envelope will contain a copy of the combination to the safe or vault, a key or access code to the agent cashier's office and the second key to each of the cash boxes.

- The envelopes will be sealed in such a manner that they cannot be opened without detection.
- The envelopes will be dated and sealed in the presence of the Chief of the Finance Activity and the Principal 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 facility director and opened only in the presence of the director or assistant director and the chief of the finance activity. Only these officials will be authorized to open the safe and cash boxes during the absence of the Principal Agent Cashier and Alternate Agent Cashier.

b. The combination and door lock or access code will be changed at least once a year and at any time there is a change of incumbents in the position of Principal Agent Cashier or Alternate Agent Cashier.

(1) The combination to the agent cashier's safe will be changed immediately after the safe has been opened under an emergency condition.

(2) When the combination is changed, a sealed envelope will be prepared and maintained as indicated above. Changing of safe combinations will be done so only by the Principal Agent Cashier and possibly the alternates who know the combination.

(3) Individuals assigned to changing the combination, keys and access codes will be rotated as an effective security measure.

c. At VA health care facilities with fewer than 500 active patient accounts, steel lockboxes will be provided for filing active account cards, VA Forms 10-1083, *Patient's Account*. At the close of each business day, the steel lockboxes will be delivered to the agent cashier area for storage in the safe. In no event will the account cards be placed in the safe, unless enclosed and locked in the lockbox.

d. Foreseen and Unforeseen Cashier Absences

(1) Foreseen Absences.

- If a foreseen absence of the Principal Agent Cashier from duty is for 15 working days or less, the Alternate Agent Cashier's informal cash advance is increased in order to carry on normal disbursing functions. Upon return of the Principal Agent Cashier to duty, the Alternate Agent Cashier will turn over all paid vouchers to the Principal Agent Cashier and the informal advance will be reduced to actual operating need.

- If a foreseen absence of the Principal Agent Cashier from duty exceeds 15 working days, all funds on hand, in whatever form, will be transferred to the Alternate Agent Cashier and an OF 211 will be forwarded to the FSC's Agent Cashier Accountability Activity. The Principal Agent Cashier will prepare an accounting on an OF 1129. Upon return to duty, the funds will be transferred back to the Principal Agent Cashier.

(2) Unforeseen Absences. Where an unforeseen absence of a Principal Agent Cashier from duty precludes the transfer of funds to an Alternate Agent Cashier in the normal manner, the following procedures will be followed:

- A committee of three, consisting of the facility director or assistant director, the Chief of the Finance Activity and the Alternate Agent Cashier, will gain access to the Principal Agent Cashier's records and funds. At VA's regional offices and insurance centers, the Chief of the Collections Unit will be a member of the committee.

- Funds will be counted in the presence of two disinterested persons, who will verify the count, and the “Status of Fund” portion of the OF 1129 will be completed in the name of the Principal Agent Cashier.
  - The Alternate Agent Cashier will acknowledge receipt of funds and sign for the transfer. The completed OF 1129 will be signed by each member of the committee.
- e. In instances of an unforeseen absence of both the Principal Agent Cashier and Alternate Agent Cashier, the following procedures will be followed:
- (1) A committee consisting of the facility director or assistant director and Chief of the Finance Activity will gain access to the Principal Agent Cashier's records and funds.
  - (2) An accounting for the advance will be made.
  - (3) If the absences of both the Principal Agent Cashier and Alternate Agent Cashier are expected to be prolonged, a replacement will be designated and an OF 211 should be completed to name a newly approved designee over the fund.
  - (4) In the interim, the Chief of the Finance Activity or designee will accept and process all collections normally handled by the Principal Agent Cashier and/or Alternate Agent Cashier.
  - (5) Cash disbursements will not be made until the return of the Principal Agent Cashier and/or Alternate Agent Cashier, unless a newly-designated Alternate Agent Cashier assumes the duties of the position.
- f. At least once every 12 months from the transfer date, there will be a complete transfer of responsibility and accountability to the Alternate Agent Cashier. This transfer is normally for a period of at least 2 weeks. It is designed to improve internal controls and provide training and experience for the alternate. Insofar as possible, the transfer will be arranged to coincide with any foreseen absences of the Principal Agent Cashier.

#### **030502 FUNDING ACTIONS FOR AGENT CASHIER.**

**A. INITIAL FUNDING.** VA will establish and maintain only a single disbursing fund per field facility for use by agent cashiers. Purchase cards or convenience checks will not be used to establish, maintain or replenish an agent cashier funds.

#### **B. CASH ADVANCES TO AGENT CASHIERS**

**1. Initial Advance.** The agent cashier advance account is limited to the minimum amount of cash required to meet only normal operating needs of the Veteran population serviced by the facility. Special needs for cash will be discussed with the Financial Services Center (FSC) in Austin, TX, Agent Cashier Accountability Activity, for approval.

2. Increasing Original Advance. A VA field facility will submit an OF 211 to the FSC advising of its intent to increase the fund's cash advance. The OF 211 will contain the signature of the current Director. Funds are issued in the name of the Principal Agent Cashier. If the request to increase the advance is approved, the FSC will issue an EFT payment to the applicable Principal Agent Cashier activity. The Finance Activity at the field facility will adjust its accountability balance to reflect the increase by preparing a journal voucher to process the transaction to the facility's Assets and Miscellaneous Accounts Fund (AMAF) in VA's financial accounting system.

3. Decreasing Original Advance. A VA field facility will submit an OF 211 notifying the FSC to decrease the fund's cash advance. The OF 211 will contain the signature of the current Director. Funds are issued in the name of the Principal Agent Cashier. In addition, an SF 215 is prepared with "Partial Return of Advance of Funds" as the purpose. The OF 211 and memo copy of the SF 215 will be forwarded to the facility's Finance Activity, where a deposit is recorded in VA's financial accounting system to the facility's suspense account (36F3875) to reflect the amount of the fund decrease. In addition, the Finance Activity will prepare a journal voucher to transfer the amount in the facility's suspense account to the FSC's station 104 suspense account and reduce the balance in the facility's AMAF in VA's financial accounting system. The OF 211, SF 215, a copy of the check/money order issued to decrease original advance and a copy of the journal voucher are sent to the FSC's Agent Cashier Accountability Activity.

C. FUND ADVANCES TO/FROM OTHER APPROVED EMPLOYEES. The Principal Agent Cashier with legal accountability will further advance funds to other designated employees (e.g., Alternate Agent Cashier) or receive prior advances back upon the revocation of any designation. A signed receipt will be obtained from the employee receiving the funds. The Principal Agent Cashier with legal accountability will retain the receipt until an accounting is made for the advance.

1. VA will maintain detailed records on individuals who have been designated to manage agent cashier funds.

2. VA will ensure that an OF 211 is prepared and approved when designating a new appointment or revoking an existing appointment of an agent cashier position.

#### 030503 RECEIPT ACTIONS FOR AGENT CASHIER.

##### A. REPLENISHMENT OF AGENT CASHIER FUND.

1. REPLENISHMENT VOUCHERS. Before submitting replenishment vouchers, a complete verification of the cash accountability and undeposited collections will be accomplished.

a. When it becomes necessary to replenish the fund, the agent cashier with legal accountability over the fund will prepare a list of all agent cashier vouchers along with an OF 1129. Agent cashiers will replenish funds every business day, if necessary.

- b. Agent cashiers will replenish fund balances via EFT. VA facilities will open agent cashier activity accounts at commercial financial institutions for the sole purpose of receiving these replenishments electronically.
  - c. In order to accomplish routine electronic replenishments, the Chief of the Finance Activity must complete an SF 3881, *ACH Vendor/ Miscellaneous Payment Enrollment Form*, forward the form to the FSC for review and vendor file updating, and submit it to the selected financial institution.
  - d. The Chief of the Finance Activity will perform a monthly reconciliation of the account maintained at the financial institution, using an SF 1149, *Statement of Designated Depository Account*, and the depository statements to accomplish the reconciliation. To avoid a conflict of interest and maintain a segregation of duties, the agent cashier will never reconcile the SF 1149.
2. For additional information on replenishment of funds, refer to Appendix C. Specific procedures relating to changing agents and transferring funds between agents are also described in this appendix.

## B. COLLECTIONS NOT FOR DEPOSIT TO THE AGENT CASHIER FUND.

Agent cashiers will receive checks at times which must not be commingled with the cashier fund advances. Agent cashiers will need to forward the checks to the proper individuals to ensure the collections are deposited in the proper VA account or returned to the Treasury.

1. **TREASURY CHECKS.** All benefit checks, along with any correspondence for beneficiaries who fail or refuse to provide a current mailing address to VA, will be delivered to the agent cashier for processing and disposition. The agent cashier will retain these checks for 30 days separate from the agent cashier disbursing fund; any unclaimed checks will be returned to Treasury and correspondence will be returned to the regional office or facility of jurisdiction. Any other type of Treasury checks received at a VA facility and intended for return purposes will be delivered immediately to the agent cashier for disposition. The applicable procedures to use in returning Treasury checks are described in Appendix D.
2. **PERSONAL FUNDS OF PATIENTS (PFOP).** Funds received for a Veteran patient will be deposited to the credit of the United States Treasury in VA's Account 36X6020, PFOP. Any remittance 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. Where a VA medical center or both a VA medical and regional office are receiving recurring benefit payments on behalf of Veterans, a request will be made to have such payments consolidated into one check, payable to "Facility Director." The Division of Disbursement at the Hines Finance Center will issue the consolidated check.

3. REGIONAL OFFICE COLLECTIONS. It will be ascertained, prior to processing collections, 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. The agent cashier will prepare VA Form 4-1027 for collections that are creditable to receivable accounts maintained at 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 in Appendix E. Any cash remittance received at regional offices for a receivable established by the Debt Management Center (DMC) will be accepted and processed by the agent cashier. Other remittances received at regional offices for DMC accounts in the form of personal checks, bank drafts, cashier's checks and money orders will be transmitted to CARS for processing.

4. LOAN GUARANTY COLLECTIONS. The agent cashier will receive all noncash remittances of a nonrecurring nature and hold such remittances for safekeeping until advice of acceptability or rejection is received from the Loan Guaranty Division. Items representing earnest money receipts, insurance loss proceeds, mineral royalties, application fees and those for other purposes not promptly determinable in the Finance Activity will be reported to the Loan Guaranty Division for advice as to disposition.

5. FIELD STATION INSURANCE COLLECTIONS. Facility directors will exert every effort to reduce to a minimum the number of insurance collections made by the agent cashier. The receipt of premium remittances by the agent cashier will normally be necessary only in cases of hospitalized and domiciled Veterans. All insurance remittances received at field stations, other than insurance offices, will be routed to the agent cashier. The agent cashier will issue a VA Form 4-367, *Counter Receipt - Government Life Insurance*, for each remittance received. Insurance collections will be scheduled by the agent cashier on VA Form 4-1551, *Transmittal Schedule of Insurance Collections*. All remittances will be sent to the Philadelphia VA Regional Office and Insurance Center.

6. ENDORSEMENTS OF REMITTANCES. As a general rule, all checks and other negotiable instruments received by the agent cashier will be made non-negotiable as soon as received. This will be accomplished by a stamped endorsement. Checks drawn to the order of a VA official of by name or title will not require the personal endorsement of that official. The agent cashier instead will affix the stamped endorsement. In the case of institutional award checks, they will be given a restrictive endorsement. The facility director will provide the agent cashier with a written authorization to endorse checks to be transferred, if such authorization is considered advantageous.

7. MEDICAL CARE COLLECTION FUND (MCCF) PROGRAM RECEIPTS. Unidentified payments received under the MCCF program will be secured in the agent cashier's office pending identification by the MCCF unit. Only the accompanying documentation or copies of the checks will be forwarded to the MCCF unit for identification purposes. All checks received in the MCCF unit will be turned over to the agent cashier within 24 hours for deposit. The agent cashier should not hold third-party

checks more than 24 hours and should take the appropriate action after this time period to either deposit the funds into a suspense account or deposit checks into the bank.

8. **DONATIONS BY CHAPLAINS OR OTHER VA OFFICIALS.** Donations in the form of cash or checks received by Chaplains, Cemetery Directors or officials other than the agent cashier will be turned over to the agent cashier activity immediately, if received during business hours. Any donation received during non-business hours will be forwarded to the agent cashier as soon as possible on the next business day. The agent cashier will be instructed to deposit the monies into the General Post Fund or Cemetery Gift Fund and informed about the purposes for which the money can be used. If the Chaplain or official does not inform the agent cashier, the money will be earmarked to support the activities of the facility's Chaplain Service.

9. **EMPLOYEE PAYMENTS.** Employees may submit payments to the agent cashier for salary debt(s) owed to VA. The agent cashier will apply these funds to a bill of collection (if applicable) or deposit the funds in the appropriate VA Deposit or Suspense Fund, depending upon to what the debt was related (e.g., salary issue, Veteran benefit matter, travel). Sufficient information should be obtained to identify the debt (to include, if available, a copy of the DFAS debt letter/notice payment coupon) and should be attached to the field service receipt copies for both payroll and accounting.

10. **CREDIT CARD COLLECTIONS.**

a. Treasury's FMS is responsible for paying for the basic package of services, including discount fees, necessary for VA to use the services. VA's only cost will be to acquire the credit card authorization equipment, specifically an electronic Point-of-Sale (POS) terminal and credit card imprinter.

(1). The imprinter will capture the customer's card number on the sales charge draft.

(2). The terminal will provide automated access to sales authorization services and allow for electronic end-of-day settlement.

b. VA's contractor will provide training on the electronic draft capture systems, including operating instructions with the shipment of POS terminals. The instruction manuals will be provided on the preparation of the sales drafts and verification of the credit cards.

c. Collections received via credit card will be receipted as other VA collections, but a two-part sales draft will be used to record the collection rather than VA Form 4-1027.

d. Credit card collections will be processed through the terminal, allowing for electronic end-of-day settlement by an online network that transfers funds by wire from the financial institution to the Treasury account at the Treasury-contracted bank, which will in turn transmit deposit information to a Web site where the information can be viewed by VA.

(1) Collections processed through the 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 with legal accountability.

(2) A terminal batch summary slip will be used in lieu of the SF 215 to record the electronic deposit.

e. All collections will be deposited to ALC 3600 1200.

f. VA's contractor will provide the Financial Services Center (FSC) with weekly and monthly reports showing all deposits and any chargebacks for reconciliation purposes. Chargebacks for invalid charges will be returned to the facility for collection.

### **C. PROCEDURES UPON RECEIPT OF NON-CASHIER FUND COLLECTIONS.**

1. The agent cashier will accept remittances in the form of cash, checks, drafts, traveler's checks and money orders. Collections will also be remitted by credit card under certain conditions. All remittances will be examined for omissions and discrepancies before deposit.

a. Unsigned checks and drafts will be returned to the remitter by the agent cashier. 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 or draft will be accepted, unless endorsed, so it can be collected.

b. Any check received with the name of the payee omitted will be completed by inserting the words, "Department of Veterans Affairs," after the purpose has been determined. If either the script or numerical amount is omitted, the amount omitted will be inserted to complete the check for deposit purposes. When a signed blank check is received with a request that the amount due be supplied, the Principal Agent Cashier with legal accountability will ascertain the correct amount and complete the check. The Alternate Agent Cashier cannot complete the check. Only those individuals whose names are on the official bank signature card can complete the check.

c. Any check or draft received for insurance items will be forwarded to the appropriate insurance activity as received, regardless of the manner in which they were drawn or endorsed.

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

e. If a check is tendered in support of an offer to compromise an existing indebtedness, the agent cashier will not deposit the check prior to a decision to accept the offer. 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. If the check is inadvertently deposited before the decision on the acceptance of the

compromise has been rendered by an authorized element, it will not be binding upon VA and the amount of the check will have to be refunded.

2. The agent cashier will prepare a receipt for all remittances received, except those covering VA portfolio loans and rental accounts when non-cash is received and for collections by payroll deduction. Unless specifically provided for elsewhere, no remittance will be receipted in a manner other than by issuance of the prescribed form of pre-numbered receipt. Depending on the specific circumstances, the following forms will be used: VA Form 4-367, VA Form 4-1027, and VA Form 4-1028, *Field Service Receipt - Patients Funds*.

a. If the receipt covers remittances from third parties, the agent cashier will show all readily available identifying data, with respect to the person to be credited, on the form.

b. If the receipt is to be credited to more than one appropriation or fund, the agent cashier will include the titles, symbols and applicable amounts on the form.

c. If the receipt is issued for a remittance covering a refund of compensation, pension or educational assistance allowance overpayment, the agent cashier will show the finance code symbol on the form.

d. If the remittance covers a refund of an overpayment, the agent cashier will indicate the appropriation to which the payment was charged on the form.

e. If the remittance covers an overpayment involving a GAO suspension, the agent cashier will identify the overpayment by voucher number, name and symbol of Disbursing Officer, if available, on the form. If the voucher number cannot be cited, the check number, if available, and accountable period will be shown.

f. If the remittance covers a replacement check that had been returned as uncollectible, the agent cashier will identify the Disbursing Officer who deposited the uncollectible check, by name, disbursing symbol and calendar month, provided such data is available. It is necessary that field service receipts be completed in sufficient detail to identify the appropriation or funds to be credited.

3. Any contaminated remittances will be handled as any other hazardous material.

4. Funds left for deposit with employees other than the agent cashier will be turned over to the agent cashier, along with a completed VA Form 10-2815 for processing and deposit.

5. When collections are made by an Alternate Agent Cashier during periods of absence by the Principal Agent Cashier (e.g., breaks, lunch, short periods of leave) and subsequently turned over to the Principal Agent Cashier, a memorandum receipt will be prepared to support the transfer of such collections by the Alternate Agent Cashier.

**D. PREPARATION FOR DEPOSITING RECEIPTS.**

**1. DEPOSIT TICKET.**

- a. The agent cashier will prepare an SF 215 for deposits made with Federal Reserve Banks (FRB) and branches, as well as with other Federal depositories for all classes of collections. The agent cashier will convert all cash to money order or check form since an FRB will not accept cash deposits.
- b. The agent cashier will establish a processing schedule to allow deposits to reach the depository before the depository's cutoff time for posting deposits.
- c. The agent cashier will forward any collection received for credit to the accounts of another station to that station for deposit, except when VA Central Office (VACO) has approved deposit of the collection by the collecting station or if an Administration has a centralized collection facility (e.g., NCA Finance Service deposits all checks received for NCA facilities).
- d. The agent cashier will complete an SF 215 for any foreign currency and checks drawn on foreign banks payable in foreign currency in the usual manner, except that the U.S. dollar amount field and the date presented or mailed to bank field will be left blank.
- e. The agent cashier will deposit any "cashed" accommodation exchange instrument with the local depository or FRB, as appropriate, on an SF 215.
- f. The agent cashier will ensure the confirmation copy of the SF 215 is received within 7 to 10 days after the date of deposit or take appropriate follow-up action with the depository. Corrections or adjustments to an SF 215 cannot be made once submitted, and the depository must be advised of any error or correction so that the proper action can be taken to resolve the issue.

For more information on Paper Check Conversion Over the Counter (PCC OTC), refer to Appendix L.

**2. FREQUENCY OF DEPOSITS.**

- a. The frequency of deposits will be determined by the daily dollar volume of funds received at an individual VA facility. See Appendix H for additional information on the frequency of deposits.
- b. All Treasury checks, whatever the amount, will be deposited separately from all other remittances, using the SF 215 procedures.
- c. Depositors must keep records of deposited checks.

### 3. PREPARATION AND SHIPMENT OF COLLECTIONS.

a. The agent cashier at the field station will prepare 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. Any loss of shipment will be reported immediately to the nearest U.S. Secret Service and Federal Bureau of Investigation (FBI) offices, local VA Office of Inspector General and U.S. Post Office or carrier by which shipment was made.

4. UNCOLLECTIBLE ITEMS. When a check is uncollectible, the depository will prepare an 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 depositor to defer the immediate charging of the accounts.

5. CUSTODY OF RECEIPT FORMS AND RECORDS. The agent cashier will keep the entire supply of counter receipts, VA Form 4-367, field service receipts, and VA Forms 4-1027 and 4-1028 in his or her safe for control purposes.

6. 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. Instead, the agent cashier will void the receipt and issue a new one in the correct amount. When it is necessary to void a field service or counter receipt, all copies will be marked "Void."

### 030504 DISBURSEMENT ACTIONS FOR AGENT CASHIER.

#### A. DISBURSEMENT CATEGORIES.

1. VA will use EFT as the standard method for making disbursements. Agent cashiers are allowed to use an alternative disbursement mechanism, such as cash, only when a payment meets the EFT waiver requirement. For the different types of exceptions to the EFT requirement, refer to Volume VIII, Chapter 2, *EFT Requirement*, Appendix A, Waiver of EFT Requirement. Cash payments may be disbursed for the following:

a. Money orders for the purpose of filing court fees in connection with debt collection.

b. Beneficiary travel allowances and related costs, as well as any travel costs and attendant fees for required nonemployee attendants.

c. Prepayment of authorized court costs and recording fees to an individual that the facility director deems can receive such payment. If personal funds were expended, the individual is entitled to reimbursement.

d. Miscellaneous requirements approved by the facility director, Chief of the Finance Activity or other designee, which are intended for the benefit of the Veteran.

2. Principal Agent Cashiers and Alternate Agent Cashiers within the Veterans Health Administration (VHA) are authorized to make payments for a variety of purposes, as described in Appendix I.

3. Agent cashiers are authorized to accept the following negotiable instruments:

a. Treasury checks in full payment of indebtedness owed to VA by employees or Veterans. The agent cashier will not commingle such receipts with the normal cash fund advances. However, when the Treasury check exceeds the amount of the debt, the agent cashier will pay the debtor the difference, using the agent cashier disbursing fund (as funds permit) and then forward the accepted check to the Chief of the Finance Activity for proper deposit to VA accounts. The disbursing fund will be replenished for the difference paid the debtor.

b. Checks written by representatives of the Disabled American Veterans (DAV) for beneficiary travel of non-hospitalized Veterans. VA will make payments and document such expenditures for replenishment purposes.

c. Negotiable instruments for competent hospitalized and domiciled beneficiaries, provided they are endorsed by the Veterans in whose favor they are drawn and do not exceed \$800.

d. Treasury benefit check payments made to non-hospitalized homeless Veterans, but only to the extent permitted by the agent cashier's advance of funds.

B. CONVENIENCE CHECKS. The use of convenience checks is governed by VA's financial policy in Volume XVI, Chapter 1, *Government Purchase Card*.

1. Convenience checks are written against a purchase card account. Convenience checks are a payment and/or procurement tool intended only for use with merchants who do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort when no reasonable alternative merchant is available who accepts the charge card.

2. Prior to the issuance of a Government convenience check with purchasing authority, all convenience check account holders must complete the online VA Purchase Card training (course# VA 5863). The course is located on VA's Learning Management System (LMS) at <https://www.lms.va.gov> and must be assigned as mandatory training. Refresher training is required every 2 years. The HCA or designee will delegate authority to issue convenience checks. This delegation will be documented on the Government-wide Convenience Check Certification Form (VA 0242c) and certifies that the convenience check account holder has completed the VA Purchase Card Training and understands the policies and regulations associated with convenience checks.

3. Policies, procedures and internal controls for purchase cards also apply to convenience checks. Convenience check account holders must comply with single purchase and cycle limits (single purchase limit, FAR 13.003 Policy (c) (2) – Do not break down (split) requirements aggregating more than the acquisition threshold into several purchases that are less than the applicable threshold merely to—(i) Permit use of simplified acquisition procedures; or (ii) Avoid any requirement that applies to purchases exceeding the micro-purchase threshold.)

4. VA restricts the use of convenience checks in accordance with VA financial policy, Volume XVI, Chapter 1, *Government Purchase Card*. Convenience checks cannot be used for:

- a. Vendors who accept the purchase card;
- b. Vendor transactions already under another method of acquisition, e.g., purchase orders, contracts (See FAR 32.1103 for permissible exceptions);
- c. Employee reimbursements;
- d. Cash advances;
- e. Salary payments, cash awards or any transaction processed through the payroll system;
- f. Employee travel-related transportation tickets;
- g. Meals or lodging related to employee travel except in relation to emergency incident response;
- h. Veterans benefits payments including but not limited to Personal Funds of Patient (PFOP) reimbursements, Compensated Work Therapy (CWT) salary payments, beneficiary travel reimbursements;
- i. Purchases above the micro-purchase limit, currently \$3,000 for supplies, \$2,500 for services subject to the Service Contract Act and \$2,000 for construction subject to the Davis-Bacon Act.

5. VA will maintain the same type of documentation for convenience checks as required for paying with cash. Such documentation must be in evidence before any convenience check is issued. For more information on the use of convenient checks, refer to Appendix J.

#### 030505 SPECIAL ACTIONS FOR AGENT CASHIER.

A. DELIVERANCE OF SALARY CHECKS. Although this delivery function is not technically a disbursement of funds from the Principal Agent Cashier's advance, it does

represent an “indirect” disbursement function that will be performed by the agent cashier position.

1. The Chief of the Finance Activity will recommend to the Disbursing Officer for VA’s payroll providers, the name of an employee to be designated as an agent cashier to receive employee salary checks.
  - a. Checks will not be delivered to employees prior to payday.
  - b. Checks will, however, be mailed on a temporary basis to the entitled employees prior to the issuance date, if it is determined delivery will not be made before that date.
2. Agent cashiers will only deliver a check personally or by mail to an employee leaving the service when it has been determined the employee is entitled to the full proceeds.
  - a. If the employee is not entitled to the entire proceeds of a check, or any part of the information appearing is erroneous, the check will be returned to the Disbursing Office with a notation to that effect.
3. Agent cashiers or other employee designated to distribute employee checks will return undeliverable checks to the appropriate issuing Disbursing Office (e.g., DFAS) within 5 days after receipt. An exception is when the employee is on leave; the check may be held for up to 30 days. Refer to Appendix K to determine the proper addresses for VA’s payroll providers to return checks at the appropriate time.

#### B. LOSSES AND THEFTS - AGENT CASHIER ACCOUNTS.

1. VA will adhere to current procedures in GAO’s Principles of Federal Appropriations Law, Volume II, Chapter 9, *Liability and Relief of Accountable Officers*, to address shortages in Agent Cashier funds.
2. VA will require that, in the event of any loss or theft of disbursing funds or other official funds, all facts will be reported to the FSC by the Chief of the Finance Activity within 24 hours to the Agent Cashier Accountability Activity.
3. The Principal Agent Cashier or an Alternate Agent Cashier when designated, will report any shortages of another Alternate Agent Cashier to their respective supervisors, as follows:
  - a. Depending on who must make the report, a verbal report of the shortage will be made immediately to the appropriate supervisor. This verbal report is followed up with a written report within 3 business days. The supervisor is also responsible for preparing a written follow-up report within 3 days and submitting it to the Chief of the Finance Activity.

- b. If any irregularities occurred, both the oral and written reports will disclose this fact. In addition to any irregularities, the report will state whether all agency-prescribed procedures and requirements were followed. If prescribed procedures and requirements were not followed, a detailed explanation will be given as to why the procedures were not followed. The report will include any recommendations that are considered necessary to strengthen administrative control over the fund or prevent a recurrence of the irregularity or deficiency.
- c. If an agency initially determines that the source of the loss was due to the cashier's impropriety, VA will impound and audit the funds. After the audit, the fund will be transferred to a new or alternate cashier. When the irregularity cannot be resolved satisfactorily within VA, the matter must be reported to the local law enforcement for proper investigation and resolution.
4. The facility director will make a determination as to the fault or negligence of the accountable or responsible employee when a shortage occurs in the account of a Principal Agent Cashier, Alternate Agent Cashier or PFOP clerk.
5. The facility director has the delegated authority to adjudicate cases involving losses or theft of less than \$200.
6. The FSC Director has the delegated authority to rule on requests for relief of amounts between \$199 and \$3,000. The VHA CFO is delegated the same authority for PFOP losses.
7. Amounts equal to or greater than \$3,000 will be forwarded to GAO for proper action.

#### C. OVERAGES - AGENT CASHIER ACCOUNTS.

1. Any overages, such as those due to bank errors in the accounts of the agent cashier, will be deposited in the General Fund Receipt Account 36\_1060, *Forfeitures of Unclaimed Money and Property*. This deposit will be accomplished by preparing an SF 215. Overages due to EFT processing errors will be resolved in the following manner:
  - a. Agent cashiers with legal accountability will notify their Finance Activity of the error.
  - b. The Finance Activity will issue a Bill of Collection (BOC) to the agent cashier with the overage, while reissuing the corrected replenishment to the proper agent cashier activity.
  - c. Agent cashiers receiving the BOC will prepare a check payable to VA in the amount of the overage and provide it to the station issuing the BOC.
  - d. Agent cashiers with legal accountability will deposit the check in the designated depository or the FRB using a SF 215.

e. The Finance Activity issuing the BOC will process the transactions to properly offset the BOC and record the deposit.

**D. UNANNOUNCED AUDITS OR SPOT CHECKS.**

1. Facility directors, or designees, will ensure that unannounced audits or spot checks of the Agent Cashier's advance and undeposited collections are conducted at least quarterly during the four annual 90-day cycles, to maintain the integrity of the agent cashier's disbursing funds, and for cashless Agent Cashier Activities, twice a year. However, additional audits may be prescribed as considered necessary. 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 noticeable pattern of regularity.

a. When conducting an unannounced audit on a cashless agent cashier activity, VA facility directors or designees will be cognizant that the auditors will review all accountable documents, such as Field Service Receipts, Shipment of Valuables, Deposit Tickets, convenience checks if any, and any other form of authorized remittances used by that facility.

b. As part of these unannounced audits, VA will be aware that procedural practices of the agent cashier, such as safeguarding valuables, making deposits and the issuance of disbursements, will be observed by the auditor.

2. Facility directors, or their designees, will temporarily suspend all activities in the agent cashier's function in order to facilitate the conduct of the unannounced audit. This audit should not exceed a period of one week, so as not to jeopardize the use of the fund for necessary legitimate and emergency purposes.

3. Facility directors, or designees, will implement necessary corrective action measures to properly address all audit findings emanating from the unannounced audit, including any irregularities discovered by the auditor.

a. Any irregularities disclosed will be reported to the facility director for proper action. However, all losses, shortages and thefts, regardless of amounts, which are replenished by the agent cashier, will be reported promptly to the FSC. The FSC will also receive a signed copy of the unannounced audit report, annotated to show the shortage was acknowledged by the agent cashier, with recoupment to be made by the replenishing cashier.

4. Facility directors, or their designees, will modify the level of cash advances to be available for agent cashiers based on the auditor's calculation, as determined by methods described in Appendix N, page 102.

a. As part of the unannounced audit, the last consecutive three month cash disbursements will be reviewed to determine the proper level of advanced funds.

b. The agent cashier's disbursing account is limited to the minimum amount of cash required to meet only normal operating needs of the Veteran population serviced by the facility.

E. INTERIM ACCOUNTABILITY AND YEAREND REPORTING REQUIREMENTS.

VA will prepare a reconciliation to verify the status of a cashier fund at any given time. Accountability reports will be prepared at least on one designated day each month including an accounting of cash on hand and any unpaid vouchers, receipts and other information, which indicate the status of the fund. Reports will be submitted more frequently, as needed, to indicate a change in the amount of the fund or to indicate a change of cashiers.

F. FUNDS RECEIVED THAT ARE NOT HANDLED BY AGENT CASHIERS.

1. VA will receive funds that require processing by employees other than agent cashiers. The following funds received by certain designated VA employees will not be delivered to or handled by agent cashiers:

a. Funds furnished by volunteer organizations for the purpose of paying for insufficient postage on beneficiaries' incoming mail are not considered public money.

b. Funds collected and received by Veterans Canteen Service (VCS) activities will be handled in accordance with VCS instructions.

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

030506 FUND CERTIFICATION.

A. WRITTEN CERTIFICATION. The Chief of the Finance Activity, or designee, who operates cashier funds will provide a written certification on the integrity of approved funds being used.

B. CERTIFICATION REQUIREMENTS. The written certification will address the following requirements:

1. Fund cashiers have an updated listing of the signatures of all officials authorized to approve reimbursement claims. The listing is updated whenever there is a change in authorizing official, and signatures on claims are verified against these listings prior to issuing funds to claimants.

2. Internal controls have been established to ensure an ongoing monitoring process of cashier fund operations. Fund cash verifications, audits and reconciliations have been performed, discrepancy reports have been submitted to the Department CFO and/or Administration CFOs and necessary corrective actions have been taken.

3. Fund balances are not excessive and the appropriate agency official has ascertained this by periodic reviews of the cashier fund's activities.
4. Reasons have been identified and steps taken to rectify the causes of any discrepancies disclosed by Departmental or external review of agency funds.
5. Agent cashiers who no longer have the authority to disburse funds are replaced immediately.
6. The establishment, operation and physical security of cashier funds comply with Treasury and VA policies on safeguarding of such funds.
7. Document control is effective. Agent cashiers are required to sequentially number each voucher prior to issuing cash and maintain a master voucher number register to ensure that they are aware of the last voucher number issued.

### **0306 DEFINITIONS**

030601 Accountability Report. Refers to a reconciliation document that is used for verifying the status of a cashier fund at any given time.

030602 Agent Cashier. A cashier is an officer or employee of the Federal Government who is designated as a cashier by an approving official and is authorized to disburse cash or carry out other cash operations. Principal Agent Cashiers who are authorized to make payments from funds advanced to them, are regarded as a category of disbursing officer. Principal Agent Cashiers who make disbursements may be either Class "A" or Class "B" cashiers. Cashiers are personally liable for any loss or shortage of funds in their custody unless relieved by proper authority. Like other accountable officers, they are regarded as "insurers" and are subject to strict liability. For the most part, a cashier will be operating with funds advanced by his or her own employing agency. In some situations, however, such as an authorized interagency agreement, the funds will be advanced by another agency. Liability and relief are the same in either case.

030603 Alternate Agent Cashier. An alternate is a cashier, officer or employee who has been designated in the same manner as a Principal Agent Cashier but who will function in such capacity only during the absence of the Principal Agent Cashier. Where the volume of transactions requires both principal and alternate to act simultaneously, the principal will advance funds on the basis of a receipt signed by the alternate. The provisions that apply to Principal Agent Cashiers will apply to their alternates.

030604 Approving Official. An approving official is a Federal agency head or designee who manages cashiers fund operations. All agency heads, or designees, have the authority to delegate cashier appointment and revocation responsibility to an individually

named approving official within the agency without the approval of the Department of the Treasury's FMS. These individuals are typically finance or accounting officials.

030605 Class "A" Cashier. A cashier who is authorized to make disbursements but may not advance funds to another cashier, except to an alternate cashier.

030606 Class "B" Cashier. A cashier who is authorized to make disbursements and may also advance funds to an alternate cashier or subcashier (e.g., VA employee designated to take money to a Veteran).

030607 Convenience Checks. Checks written against a purchase card account. Convenience checks are a payment and/or procurement tool intended only for use with merchants who do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort only when no reasonable alternative merchant is available who accepts the charge card.

030608 Convenience Check Account Holder. The legal agent signing the convenience checks to buy goods and services in support of official Government business. The convenience check account holder signs the checks and holds the primary responsibility for their proper use.

030609 Electronic Funds Transfer. Any transfer of funds, other than a transaction originated by cash, check or similar paper instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape, for the purpose of ordering, instructing or authorizing a financial institution to debit or credit an account. The term includes but is not limited to automated clearinghouse transfers, fedwire transfers and transfers made at automated teller machines and Point-of-Sale (POS) terminals.

030611 Legal Accountability. An obligation or willingness to accept responsibility or to account for one's actions, especially on the part of public officials.

030612 Remittance. The act of transferring money, or its equivalent, from one place to another (e.g., cash purchase of goods or services).

030613 Securing Cash. Refers to the steps taken by an agency to ensure that cash is safeguarded. Agencies will develop procedures for securing cash, including, for example, specifications for security devices such as safes and protective glass for cashier's windows.

030615 Paper Check Conversion Over The Counter (PCC OTC). PCC OTC converts paper checks into EFTs. Transactions can be consumer, consumer accounts receivable and business transactions. PCC OTC fully automates and improves the collection, reconciliation, research and reporting processes associated with Federal agency over-the-counter check collections.

### **0307 RESCISSIONS**

- 030701 VA Directive 4010, Agent Cashier Policy
- 030702 VA Directive 4030, Imprest Fund Cashier Policy
- 030703 VA Handbook 4010, Agent Cashier Procedures
- 030704 VA Handbook 4030, Imprest Fund Cashier Procedures
- 030705 OF Bulletin 09GC1.02, Agent Cashier Procedures – Foreseen and Unforeseen Cashier Absences
- 030706 OF Bulletin 09GC1.03, Agent Cashier Procedures – Losses and Overages in Cashier Account
- 030707 OF Bulletin 09GC1.04, Agent Cashier Procedures – Deferred Credit Period for personal Checks Processed Using PCC OTC Scanners
- 030708 OF Bulletin 07GC1.05, Agent Cashier Deposit of Collections for Medical Care Collection Funds (MCCF)
- 030709 OF Bulletin 04GC1.07, Agent Cashier Deposit of Collections
- 030710 OF Bulletin 03GC1.02, Collection of Agent Cashier Shortages/Losses
- 030711 OF Bulletin 03GC1.03, Reporting of Agent Cashier Accountable Officer Irregularities
- 030712 OF Bulletin 03GC1.06, Agent Cashier Replenishment Voucher EOM Procedures
- 030713 OF Bulletin 02GC1.03, New Electronic Funds Transfer Collection Method
- 030714 OF Bulletin 00GC1.01, Cash & Convenient Check Disbursement Requirements
- 030715 OFM Bulletin 97GC1.02, Agent Cashier Report of Deposits (RSC 04-449)

### **0308 QUESTIONS**

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

VHA	VHA Accounting Policy (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)

**0309 REVISIONS**

Section	Revision	Office	Effective Date
030501.C.1	Revised	VHA	May 2014
Appendix C, paragraph C	Added (re-write)	VHA	Nov 2011
Appendix C, paragraph C (1)	Added (re-write)	VHA	Nov 2011
Appendix E, paragraph A (8)	Added (re-write)	VHA	Nov 2011
Appendix G, paragraph B (1) (c)	Added (re-write)	VHA	Nov 2011

## APPENDIX A: AGENT CASHIER RELATED FORMS

### RELEVANT FORMS APPLICABLE TO AGENT CASHIER OPERATIONS

#### A. FORMS and DESCRIPTIONS

1. FMS Form 2958, *Delegation of Authority*
2. SF 44, *U.S. Government Purchase Order-Invoice-Voucher*
3. SF 210, *Signature Card*
4. SF 215, *Deposit Ticket*
5. SF 224, *Statement of Transactions*
6. SF 1012, *Travel Voucher*
7. SF 1038, *Advance of Funds Application and Account*
8. SF 1080, *Voucher for Transfers Between Appropriations and/or Funds*
9. SF 1098, *Schedule of Canceled or Undelivered Checks*
10. SF 1149, *Statement of Designated Depository Account*
11. SF 1164, *Claim for Reimbursement for Expenditures on Official Business*
12. SF 1165, *Receipt for Cash-Subvoucher*
13. SF 1166, *Voucher and Schedule of Payments*
14. SF 1195, *Recommendation and Designation of Agent to Receive and Deliver Checks and Savings Bonds*
15. SF 1652, *Division of Disbursement Form: Statement of Advance Funds for Changemaking Purposes*
16. SF 3881, *ACH Vendor/ Miscellaneous Payment Enrollment Form*
17. SF 5515, *Debit Voucher*
18. OF 211, *Request for Change or Establishment of Imprest Fund*
19. OF 1114, *Bill for Collection*
20. OF 1114B, *Collection Voucher*
21. OF 1129, *Reimbursement Voucher*
22. VA Form 3036, *Travel Authority for Temporary Duty Travel*
23. VA Form 4-367, *Counter Receipt - Government Life Insurance*
24. VA Form 1011, *Record of Shipment of Valuables*
25. VA Form 4-1027, *Field Service Receipt – General*
26. VA Form 4-1028, *Field Service Receipt - Patients Funds*
27. VA Form 1301a, *Request for Delivery of Salary Check*
28. VA Form 1409, *Transmittal-Checks Returned to Agent Cashier*
29. VA Form 4-1551, *Transmittal Schedule of Insurance Collections*
30. VA Form 4-1622, *Transmittal List of Posting Media and Report of Distribution*
31. VA Form 4380, *Notice (Premium Payments)*
32. VA Form 4564, *Transfer of Disbursing Authority*
33. VA Form 4-5216, *Transmittal Schedule of Centralized Receivable Collections - CARS*
34. VA Form 5602, *Receipt for Returned Treasury Check*
35. VA Form 4-6481, *Notice of Mortgage Loan Remittance*

36. VA Form 10-1083, *Patient's or Member's Account*
37. VA Form 10-1083b, *Patient's or Member's Account*
38. VA Form 10-2511, *Authority and Invoice for Travel by Ambulance or Other Hired Vehicle*
39. VA Form 10-2815, *Temporary Receipt for Funds*
40. VA Form 10-7078, *Authorization and Invoice for Medical and Hospital Services*
41. VA Form 28-1910, *Application and Public Voucher for Advancement from the Vocational Rehabilitation Revolving Fund*
42. VA Form 2509, *Authorization for Non-Employee Attendant*
43. VA Form 70-3542, *Authorization to Report-Voucher for Mileage Allowance*
44. VA Form 70-3542d, *Voucher for Cash Reimbursement of Beneficiary Travel Expenses*
45. VA Form 2064, *Authority To Release and Ship Effects and Funds*

## APPENDIX B: AGENT CASHIER FUND ADVANCES

### CASH ADVANCES

#### A. ESTABLISHMENT OF AGENT CASHIER FUNDS

VA will generally establish and maintain only a single disbursing fund per field facility for use by agent cashiers.

1. The agent cashier advance account is limited to the minimum amount of cash required to meet only the needs of the Veteran population serviced by the facility.
2. Special needs for cash will be discussed with the Financial Services Center (FSC) in Austin, TX, Agent Cashier Accountability Activity, for approval.

#### B. INCREASING CASH ADVANCES

1. A field facility will submit an OF 211 to the FSC advising of their intent to increase the facility's cash advance. The OF 211 must have a six digit numerical station control number. The first three digits denote the field station number and the next three denote the next sequential document number controlled by the Finance activity. The OF 211 must have the signature of the current facility director with an approved FMS 2958 and the Principal Agent Cashier's name.
2. If the request to increase the advance is approved, the FSC will issue an EFT payment to the applicable agent cashier activity. The Finance Activity at the field facility will adjust its accountability balance to reflect the increase by preparing and processing a journal voucher (FMS transaction SV08 (I)) to the facility's Assets and Miscellaneous Accounts Fund (AMAF) in the VA's financial accounting system. During emergency/disaster situations, the FSC will expedite requests.

#### C. DECREASING CASH ADVANCES

1. A field facility will also submit an OF 211 to the FSC advising of its decrease to its facility's cash advance. The OF 211 must have a six digit numerical station control number. The first three digits denote the field station number and the next three denote the next sequential document number controlled by the Finance activity. The OF 211 must have the signature of the current facility director with an approved FMS 2958 and the Principal Agent Cashier's name. In addition, an SF 215 is prepared with "Partial Return of Advance of Funds" as the purpose.
2. The OF 211 and memo copy of the SF 215 will be forwarded to the facility's Finance Activity, where a deposit is prepared and processed (FMS transaction CR 17(I)) in VA's financial accounting system to the facility's suspense account (36F3875). In addition,

the Finance Activity will process a journal voucher to transfer the amount in the facility's suspense account (FMS transaction EB03 (I)) to the FSC's station 104 suspense account (FMS Transactions EB03 (D)) and reduce the balance (SV08 (D)) in the facility's Assets and Miscellaneous Accounts Fund (AMAF) in the VA's financial accounting system.

3. After the transactions are processed, the facility's Finance Activity will forward copies of the OF 211, SF 215, a copy of the check/money order issued to decrease original advance and a copy of the journal voucher to:

Financial Services Center  
Agent Cashier Accountability Activity (0474)  
P.O. Box 149975  
Austin, TX 78714-8975

#### **D. CONTROLLING FUND ACCOUNTABILITY**

1. The agent cashier with legal accountability will advance funds to designated employees. A signed receipt will be obtained from the employee receiving the funds. The agent cashier with legal accountability will retain the receipt until an accounting is made for the advance. The following individuals may be advanced funds:

- Alternate Agent Cashier
- Subcashier
- Any employee designated by the facility director to make an authorized expenditure in the interest of VA.

2. The Chief of the Finance Activity will maintain a detailed record by name and the amount advanced to the Principal Agent Cashier, Alternate Agent Cashiers, subcashiers and any other authorized VA employees who receive cash from the agent cashier's disbursing fund.

3. When a facility director selects a new Principal Agent Cashier, the Chief of the facility's Finance Activity must revise existing appointment documents. This is done by submitting an OF 211 to both revoke the appointment of the outgoing Principal Agent Cashier and to designate a new Principal Agent Cashier. The OF 211 will be mailed to:

Financial Services Center  
Agent Cashier Accountability Activity (0474)  
P.O. Box 149975  
Austin, TX 78714-8975

a. The initiating facility will retain one copy of the OF 211, pending return of a signed copy from the FSC. The Finance Activity must also verify that the newly-appointed agent cashier is not a certifier for any VA financial accounting system process and the

official who signs the OF 211 does not audit the OF 1129. Also, the individual designated as a Principal Agent Cashier or Alternate Agent Cashier cannot have an active SF 210, *Signature Card*, on file as a certifying officer.

b. Before submitting an OF 211, the Chief of the Finance Activity will verify that the approving official has a current FMS Form 2958, *Delegation of Authority*, on file with Treasury. In the event an FMS Form 2958 is not current, contact VACO to receive a new form and complete a new delegation of authority document. Upon completion, the FMS Form 2958 will be mailed to:

Department of Veterans Affairs  
Cash and Debt Management Division (047GC1)  
810 Vermont Ave, NW  
Washington, DC 20420

For VHA facilities, requests for relief along with appropriate documentation should be addressed to the VHA Office of Financial Management (173) at the following address:

Department of Veterans Affairs  
VHA Office of Finance (173)  
810 Vermont Ave, NW  
Washington, DC 20420

c. When transferring between outgoing and incoming Principal Agent Cashier or Alternate Agent Cashier, direct transfer of all funds on hand in whatever form will be made to the incoming cashier.

(1) Prior advances to Alternate Agent Cashiers, subcashiers and other authorized VA employees will be recalled and verified as part of the incoming agent cashier's accountability. If all funds are fully accounted for, the memorandum receipts held by the Principal Agent Cashier will be voided and returned to them. Any discrepancy noted in the funds will be annotated on the OF 1129, which is prepared to record the transfer pending subsequent clearance action.

(2) After the transfer is completed, advances to the Alternate Agent Cashiers, subcashiers and others will be restored upon execution of a new receipt and will be reported thereafter by the agent cashier accepting custody.

(3) Funds will be counted in the presence of two disinterested (without a vested interest) persons, both of whom will be requested to verify the count. The outgoing cashier will prepare an OF 1129 in his or her name and will complete the Status of Fund section. The outgoing Principal Agent Cashier will indicate the transfer of uncashed advances, reimbursement checks and cash to the incoming Principal Agent Cashier on completing the OF 1129. In the certification section of the form, a notation will be made that indicates what has been transferred to (name of the incoming cashier) as of (the

date). The incoming and outgoing Agent Cashier and the two disinterested persons will sign the OF 1129 as evidence of the count. Because all funds have been recalled, interim receipts will always be zero.

(4) Incoming agent cashiers acknowledge the receipt of funds by inserting into the certification section "Except as noted above, I hereby accept accountability for this imprest fund of \$\_\_\_\_\_, (signature of incoming agent cashier)." An SF 1166, *Voucher and Schedule of Payments*, or comparable agency approved form, is then prepared by the agency Finance Activity for reimbursement. The voucher should show as the payee the name of the incoming cashier indicated on the Request for Change form.

i. There is one exception, called Time and Distance. In this situation, an Alternate Agent Cashier is located more than one hour away from the Principal Agent Cashier and it will not be practical to recall the Alternate to the Principal's location for this purpose. A disinterested person (with administrative authority) will witness a count of the Alternate's advance at that location. Both individuals will sign a memorandum following the count and fax it to the Principal Agent Cashier before the actual transfer.

ii. As part of the certification, the phrase "and has been transferred to (name of incoming agent cashier) as of this date," will be added. The incoming agent cashier will acknowledge receipt of the funds turned over to him/her from the previous agent cashier by inserting the following statement on the OF 1129, "Except as noted above I hereby accept accountability for this imprest fund of \$\_\_\_\_\_, (cashier name), Incoming Agent Cashier."

(4) If a new Principal Agent Cashier has not been designated before the outgoing Principal Agent Cashier leaves, funds will be transferred to the Alternate Agent Cashier, who will then be accountable for the advance until a new Principal Agent Cashier is designated. Once the new Principal Agent Cashier is designated, the Alternate Agent Cashier will transfer responsibility for the advance to the Principal. If neither a Principal nor an Alternate is available, the funds must be returned to the following address:

Financial Services Center  
Agent Cashier Accountability Activity (0474)  
P.O. Box 149975  
Austin, TX 78714-8975

NOTE: In the interim, responsibility for check writing, change orders and any other form of access to the EFT bank account will be that of the Chief of the Finance Activity or other VA employee whose name is on the bank signature card.

## APPENDIX C: REPLENISHMENT VOUCHERS

### CASHIER FUND REPLENISHMENT

A. Before submitting replenishment vouchers, a complete verification of the cash accountability and undeposited collections will be accomplished. When it becomes necessary to replenish the Agent Cashier's fund, the Agent Cashier with legal accountability will prepare a list of all Agent Cashier vouchers and an OF 1129 in duplicate. Agent Cashiers will replenish funds every business day, if necessary. The OF 1129 will be signed in the space provided by the Agent Cashier with legal accountability. The Status of Fund section must always be completed. The Agent Cashier with legal accountability will forward the original OF 1129 along with attached list of the Agent Cashier vouchers, to the Voucher Audit section for audit. Upon completion of the audit, the voucher will be forwarded to a Certifying Officer. After review and certification, the documents will be forwarded to the Accounting section for necessary action. The Agent Cashier retains one copy of the OF 1129 pending receipt of replenishment and for recordkeeping purposes.

B. Treasury has authorized VA to replenish Agent Cashiers via EFT. Facilities will open Agent Cashier activity accounts at commercial financial institutions for the sole purpose of receiving Agent Cashier replenishments electronically. The financial institution must meet the eligibility requirements contained in 31 C.F.R. 202 and 31 C.F.R. 208. Banks, credit unions and savings and loan institutions are eligible to serve as Government depositaries under 31 C.F.R. 202 and 31 C.F.R. 208.

1. Agent Cashier Accounting Activity accounts are not to be used for any purpose other than to replenish the agent cashier's fund. Remittances received by the agent cashier will not be deposited to these accounts, but must be deposited on an SF 215 to the current Treasury-approved commercial depository account or Federal reserve account. Treasury has not approved the use of the Agent Cashiers Accounting Activity accounts for the disbursement of funds other than cash withdrawals.

2. Facility directors are authorized to establish a depository demand account for the Principal Agent Cashier and/or the Chief of the Finance Activity to make cash withdrawals. This will be accomplished with a letter signed by the facility director to the financial institution, advising that the funds deposited are official funds of the U.S. Government, the account is for EFT deposits only and is not authorized overdraft protection. The letter will also authorize funds withdrawal by the Principal Agent Cashier and in the case of an emergency, by the Chief of the Finance Activity or official designee. Signature cards obtained from the financial institution must accompany the letter, with these three signatures only. The three individuals named on the bank signature card are the only persons with authorized accessibility to the EFT replenishment account or to the checks of this account at any time.

3. The account will be an interest bearing savings account or a checking account and will not exceed the recognized insurance coverage amount of \$250,000 provided by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund (NCUA) and the Savings Associated Insurance Fund (SAIF). Any service charges or other related fees must be paid by the facility and be replenished. Any net interest earned from the account must be deposited by the agent cashier to the General Fund Receipt Account 36\_1435.

4. In order to accomplish routine electronic replenishments, an SF 3881 must be completed by the Finance Activity and the selected financial institution. The station will then forward a copy of the SF 3881 and a copy of the Director's letter, to the Financial Services Center (FSC) for review and for vendor file updating. Once the vendor code has been established in VA's financial accounting system, the station will use the applicable system transactions to process electronic replenishments. When changing the status of the account, such as account numbers, routing numbers, bank address, the change must be indicated.

5. A monthly reconciliation of the account using an SF 1149 and the depository statements must be performed by the Finance Activity only. The bank statement will be reconciled to the total reflected in the EFT ledger, the checkbook register and the account balance on the monthly accountability report. 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 with legal accountability. This reconciliation must be performed by someone other than the agent cashier or the Chief of the Finance Activity. 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 agent cashier can elect to provide the SF 1149 and the end-of-month OF 1129 to the FSC by either mail, encrypted email, or fax. Whichever method is chosen, stations should not duplicate their submissions by sending additional copies by other methods. When mailing, use the following address:

Financial Services Center  
Agent Cashier Accountability Activity (0474)  
PO Box 149975  
Austin, TX 78714-8975

C. In order to reflect the appropriation or fund charges in the accounting records and reports at the close of each month, the 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 reporting month, and submitted to the Accounting section by noon of the same day.

1. For reconciliation purposes, the end of month will be the last workday of the reporting month. For example, if October 29 is the last workday, and, if the end of month is October 31, for reconciliation purposes, October 29 will be used.
2. Cash disbursements made on the last workday of the month will be recorded in the accounting system when the replenishment voucher is prepared in the following month.
3. The agent cashier will never reconcile the SF 1149. This would be a conflict of interest (segregation of duties).
  - a. The signed OF 1129 (original and copies) will be appropriately identified as an End of Month (EOM) accountability report and must reflect the station's three-digit station number on the upper right corner of each report.
  - b. The Status of Fund section must be completed in its entirety to show all items comprising the funds advanced including any losses, shortages, interim receipts, etc. The amount of funds advanced to agent cashiers and all other employees authorized to hold cash from the Principal Agent Cashier's account, with the names and amounts listed, will be shown on the reverse or as a separate attachment.
  - c. 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.
  - d. Agent cashiers will make a special note of those transactions made to accommodate homeless Veterans.
4. 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 Chief of the Finance Activity only, and a signed original copy will be mailed, encrypted emailed, or faxed not later than the fourth workday following the end of the month. Whichever method is chosen, stations should not duplicate their submissions by sending additional copies by other methods. When mailing, use the following address:

Financial Services Center  
Agent Cashier Accountability Activity (0474)  
PO Box 149975  
Austin, TX 78714-8975

If overnight courier service is to be used, use the following address:

Department of Veterans Affairs  
Financial Services Center

Agent Cashier Accountability Activity (0474)  
1615 Woodward Street  
Austin, TX 78772

D. Downloading and Processing the Electronic EOM/Monthly Reconciliation. To receive an electronic version of the OF 1129 and SF 1149, contact the FSC's Agent Cashier Accountability Activity by sending an email to [vafscagenta@va.gov](mailto:vafscagenta@va.gov) (VAFSC Agent Cashier Accountability Activity).

1. When preparing the OF 1129 in Microsoft Office Word, the information will be entered directly in the selected field on the form. Backup information, such as Replenishments, Accommodation Exchanges, Informal Cash Advances, will be entered on a separate or second document.

2. When preparing the SF 1149 in Microsoft Office Excel, enter the information on the Reconciliation Worksheet, which will automatically transfer to the SF 1149 form. Immediately e-mail backup documents, such as bank statements and checkbook logs to [vafscagenta@va.gov](mailto:vafscagenta@va.gov) ( VAFSC Agent Cashier Accountability Activity) or fax them to the FSC, Agent Cashier Accountability Activity, at (512) 460-5109.

3. To e-mail and track the OF 1129, SF 1149 or backup documents (these documents must be encrypted), send as follows:

- a. Send to [vafscagenta@va.gov](mailto:vafscagenta@va.gov) (VAFSC Agent Cashier Accountability Activity).
- b. Use the subject line: Station, Month/FY OF 1129 and/or SF 1149.

All documents e-mailed or faxed must have contact information, such as station number, name of sender, phone and/or fax number.

E. Under unusual circumstances, an agent cashier's advance will be depleted and an emergency increase in the advance is required to avoid disruption of the cashier's function. The Chief of the Finance Activity will advise the FSC, Agent Cashier Accountability Activity, of the circumstances surrounding the emergency and fax the OF 211 to Austin to request the funds, while mailing the OF 211 with original signature.

F. Cashiers will maintain a daily internal control log to record EFT transactions, including replenishment actions. The Agent Cashier Schedule of Replenishment report listing the items processed from the agent cashier's replenishment (RAPACRV/F846) is available online in RSD, and a copy is provided to the station via IFCAP in the Mailman message format. The Accounting section will ensure 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 Fund section and to verify accountability. Account balances will be reflected as a separate line item in the Status of Fund section of the OF 1129.

## APPENDIX D: CHECKS NOT FOR DEPOSIT

### CHECKS NOT FOR DEPOSIT

A. Public Law 99-570 and 38 C.F.R. Part 1, Section 1.710, ensure 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 address to VA will be delivered to the Agent Cashier Accounting Activity as follows:

1. Compensation, pension and survivors benefits - Agent Cashier Accounting Activity at the VA regional office which adjudicated the claim.
2. Educational Benefits - Agent Cashier Accounting Activity of the facility closest to the educational institution or training establishment attended by the beneficiary.

NOTE: Retention will be for 30 days, then unclaimed checks will be returned to Treasury and correspondence will be returned to the regional office or facility of jurisdiction. (See 38 U.S.C. 5103-5120.)

B. Treasury checks received at a VA facility for return will be delivered immediately to the Agent Cashier Accounting Activity for disposition. The following procedures are applicable to returned Treasury checks for processing cancellations, undeliverable or unnegotiated Treasury checks as well as claims for nonreceipt, loss, theft or destruction of Treasury checks, and for placing and removing stop payments on Treasury checks.

1. If an individual returns a Treasury check in person, the Agent Cashier Accounting Activity will prepare and issue a 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.
2. Returned Treasury checks, initiated by the Compensation, Pension and Education (CP&E) systems, will be coded as to the reason for return and forwarded to the appropriate disbursing office, where they will be automatically cancelled by the Hines Finance Center (HFC). In order to reduce overpayments, the agent cashier will expeditiously notify the Adjudication Division by internal memorandum whenever non-entitlement is the reason for return of the check.
3. All other Treasury checks received at a VA facility, which are appropriate for return to Treasury, will be scheduled on VA Form 1409, *Transmittal-Checks Returned to Agent Cashier* and forwarded as follows:

The physical address for return of all checks to Treasury is:

Department of the Treasury  
Financial Management Service  
13000 Townsend Road  
Philadelphia, PA 19154

If the agent cashier uses the PO box, the addresses below should be used.

a. For VA Benefit Payments:

Department of the Treasury  
Financial Management Service  
P.O. Box 51320  
Philadelphia, PA 19115-6316

b. For all other VA Payments:

Department of the Treasury  
Financial Management Service  
P.O. Box 51316  
Philadelphia, PA 19115-6316

4. Checks received at the FSC will be forwarded to Treasury in Philadelphia, PA.

C. 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 return or its unavailability, the payee's entitlement or non-entitlement to the check proceeds, or other miscellaneous factors (e.g., payee allegation of non-receipt).

1. The VA facility which was responsible for authorizing the original check will initiate appropriate action, as provided in the following instructions. For checks originating through VA's financial accounting system, disposition action will be initiated by the FSC.

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

b. Available check cancellation procedures will be followed when a check has been returned to the appropriate issuing Disbursing Office (e.g., DFAS) 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. Treasury will prepare an SF 1098, *Schedule of Canceled or Undelivered Checks*.

c. Requests for check tracers and unavailable check cancellations on checks originally issued through FMS will be processed by the FSC's Payment Resolution Section. There is no standard form for the tracer action. E-mail requests (vafscfosregion1@va.gov) are acceptable but must be encrypted and must include a station number, payee name, voucher number, date and amount. Stations with a written request form can fax tracer requests to (512) 460-5431.

d. Check tracers, undeliverable checks and unavailable benefits checks or other check cancellations, that were not originally issued through VA's financial accounting system will be processed by the initiating office.

e. Undeliverable checks originally issued through VA's financial accounting system will be returned to the Department of the Treasury, Philadelphia, PA (address above) on VA Form 1409, *Transmittal-Checks Returned to Agent Cashier*. The Disbursing Center will process the returned checks and then prepare an SF 1098, *Schedule of Canceled or Undelivered Checks*. The SF 1098 is forwarded to the FSC for referral to the appropriate field facility.

f. Checks presented to the Agent Cashier Accounting Activity that have exceeded the payability limit of one year should be stamped "VOID" on the face of the check. A VA Form 4-5602, *Receipt for Returned Treasury Check*, or some form of local receipt, should be issued to the claimant presenting the check. The processing of "limited payability" checks will follow guidance from VBA and will be accomplished by:

(1) Stamping "VOID" on the face of the check without obliterating the payee information.

(2) Preparing VA Form 1409, *Transmittal-Checks Returned to Agent Cashier*, in triplicate. The original and one copy, together with the check(s), will be forwarded to the Finance Activity or the facility responsible for authorizing the payment actions. The VA Finance Activity or initiating activity will determine disposition. Do not return these documents to the Treasury.

(3) One copy of the VA Form 1409, *Transmittal-Checks Returned to Agent Cashier*, will be retained for the cashier's records.

## APPENDIX E: CASH REMITTANCES NOT FOR DEPOSIT

### CASH REMITTANCES NOT FOR DEPOSIT (Field Service Receipts)

#### A. GENERAL

1. A VA Form 4-1027 will be prepared in triplicate for all remittances received at field stations as general collections, except for remittances covering VA portfolio loans.
2. When the payee presents sufficient identifying information with a collection received at the agent 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.
3. When the payee does not present sufficient identifying information the procedures are as follows:
  - a. The agent cashier will issue a field service receipt and insert all of the information except the appropriation or fund to be credited and the purpose.
  - b. The third copy of the field service receipt will be forwarded to the activity maintaining the account for credit.
  - c. The remittance and a duplicate of the receipt will be held pending appropriation or fund information.
  - d. 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, the amount will be deposited in the suspense account (36F3875), but the amount must be researched to determine the correct appropriation and fund and will be removed from suspense within 60 days. For additional information, refer to Volume II, Chapter 2C, *Clearing (Suspense) and Deposit Funds*.
4. The procedures for processing the OF 1114, *Bill for Collection*, are as follows:
  - a. 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 VA Form 4-1027 or 4-1028, as applicable, will be issued. The field service receipt will provide a reference to the bill number.

(1) If the remittance is in the full amount of the bill, the OF 1114B, *Collection Voucher*, together with a copy of the field service receipt will be forwarded to the Finance Activity.

(2) If the collection is in a partial amount, the amount of such collection will be noted on the reverse of the OF 1114B, *Collection Voucher*, with a reference to the field service receipt number. A copy of the field service receipt will be forwarded to the Finance Activity and the OF 1114B, *Collection Voucher*, will be retained by the agent cashier. When the final installment is collected, the OF 1114B, *Collection Voucher*, will be so noted and processed in the same manner as for a remittance in the full amount.

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

5. 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 will be credited, the amount will be deposited in the appropriate suspense account, but the amount must be researched to determine the correct appropriation and fund and will be removed from suspense within 60 days. 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.

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

7. 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 Finance Activity copy (yellow) of the field service receipt will be completed by posting the U.S. dollar value in the same space.

8. VA will charge a fee to an applicant to cover the cost of furnishing copies of records and papers (when applicable) in accordance 38 C.F.R. 1.526. 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 will be processed in the same manner as listed in Appendix H, section B, paragraph b. Prompt follow-up will be made by the cashier.

9. Agent cashiers will deposit remittances received for vendor and employee debts, as well as NCA agricultural lease deposits.

B. PERSONAL FUNDS OF PATIENTS (PFOP)

1. Funds received for a patient will be deposited to the credit of the United States Treasury in the account of the PFOP, VA. These funds will be receipted for on VA Form 4-1028. The receipt will indicate the specific purpose or limitation fixed by the remitter.
2. 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.
3. Where a VA medical center or VA medical and regional office receives recurring benefit payments on behalf of Veterans, a request will be made to have such payments consolidated into one check, payable to the facility director. Such requests as well as requests for subsequent additions will 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 will be sent to the regional office activity having jurisdiction over the area in which the medical facility is located. All requests will be directed to the Chief of the Finance Activity at the Hines Finance Center and will include the name and address of the consolidated payee, full name of the Veteran, together with Social Security or claim number.
4. Deletion requests will 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.
5. 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 patient's funds clerk.
6. 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 addresses of the consolidated payee (institutional award remittances received on behalf of more than one veteran).
7. Non-ambulatory patients and competent patients whose locations are so remote that in the judgment of the facility director it will be inconvenient for them to go to the office of the Agent Cashier Accounting Activity, will endorse checks for deposit and send them to the Agent Cashier Accounting Activity in sealed envelopes. The form of endorsement will be as follows:

“For deposit only to the account of  (name)  in PFOP, VA  (signature of depositor) ”

For additional information, please see Volume VIII, Chapter 4, *Personal Funds of Patients*.

### C. REGIONAL OFFICE COLLECTIONS

1. Prior to depositing collections for credit to the Hines Finance Center, it will be ascertained that the pertinent receivables exist or will be established in the master record before collection transactions are processed.

a. It will be ascertained, prior to processing collections, 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.

b. 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:

(1) A separate series of VA Forms 4-1027 will be used for collections which are creditable to receivable accounts maintained at the Hines Finance Center, if the volume of such collections warrants.

(2) A separate series will 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 to receive the credit.

(3) All required identification data including the file claim number, payee number, file designation ("M" for Compensation and Pension (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 Accounting Activity to the extent available at the time the receipt is prepared. Copy 2 of 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 Accounting Activity. 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 Accounting Activity, when it has not been furnished to the remitter, pending return of copy 2.

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

(1) If a payment is received for a debt which 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 which are not personal checks made payable to VA, 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 amount is to be refunded after the expiration of any deferred credit period, unless the remittance is uncollectible.)*

(2) If a payment is received for a debt which has been liquidated and the remittance is not a personal check made payable to VA, the remittance will be deposited to the credit of the local station in 36F3875, VA Budget Clearing Account (Suspense) 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 has 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 will be identified by the letter "M" reflected in the file designation block. Those for the education system will 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 completed copy of the SF 215. The file designation of "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 completed copy of the SF 215 and forwarded to the input activity.

d. A SF 5515 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.

e. Debt Management Center (DMC) receivables will be processed as follows:

(1) Cash remittances received at regional offices for a receivable established at the DMC will be accepted and processed by the Agent Cashier Accounting Activity.

(2) Remittances received at the regional offices for DMC accounts in the form of personal checks, bank drafts, cashier's checks and money orders will be transmitted to CARS 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 Financial Services Center (FSC), Austin, TX.

f. Transmittal Schedules will 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 with legal accountability as follows:

Station Number Code	Two-digit VA station number
Transmittal Number	Code appropriate station transmittal number
Name & Location of Station	Enter station name, city and state of location
Field Station Receipt Number	Code field service receipt numbers if applicable
File/Claim Number	Code file/claim number
Payee Number	Code payee number if known
Deduction Code & 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 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.

(3) The package will then be dispatched via registered or certified mail as applicable, to the agent cashier at the DMC in St. Paul, MN. The assigned registered mail number or certified mail number will be entered on VA Form 4-1011 in the block entitled "Registered Mail Number." The package will be addressed as follows:

Agent Cashier (389)  
VA Debt Management Center  
Bishop Henry Whipple Federal Building  
Room 156, 1 Federal Drive  
Fort Snelling, MN 55111  
DO NOT OPEN IN THE MAIL ROOM

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

#### D. LOAN GUARANTY COLLECTIONS

1. Field facilities will be guided by the collection procedures of MP-4, Part I, Chapter 6, on mortgage loan accounting procedures under the Portfolio Loan System (PLS).
2. 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.
  - a. If it can be determined 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.
  - b. Those items susceptible to prompt determination of acceptability from finance records, such as payments on Veterans' liability accounts or tax and insurance deposits, will be processed for deposit immediately.
  - c. 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 which will be required in transactions in VBA's *Loan Management and Servicing Policies, Procedures and Methods* manual, paragraphs 2.10 and 2.13.
  - d. 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 original form with 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 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 the Division cannot be obtained and the Fiscal/Finance 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 Accounting Activity if the offer is clearly unacceptable and the deposit is returned immediately.

3. 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 Accounting Activity. 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 will be made of a check that has been returned as uncollectible due to insufficient funds when the station head or designee has ascertained 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 the Loan Guaranty Division as to the desired disposition.

#### E. FIELD STATION INSURANCE COLLECTIONS

1. Directors will exert every effort to reduce to a minimum the number of insurance collections made by Agent Cashier Accounting Activity. Although remittances so tendered will not be refused, it will be recommended to the remitter which premium notices and return envelopes will be used and the remittance sent by mail to the appropriate VA facility with an insurance activity. To accomplish this, VA Form 4-4380, *Notice*, will be furnished to the remitter. The receipt of premium remittances by the Agent Cashier Accounting Activity will normally be necessary only in cases of hospitalized and domiciled Veterans.

2. All insurance remittances received at field stations other than insurance offices will be routed to the Agent Cashier Accounting Activity. At insurance offices, they will be routed to the collections unit. Enclosures and envelopes will be transmitted with the remittances.

3. A VA Form 4-367 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 such as 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 facility.

4. Insurance collections will be scheduled by the agent cashier on VA Form 4-1551 in triplicate as follows:

a. 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.

b. 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 facility (when a station has multiple sites and has assigned blocks of receipts to each site) 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.

5. 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 facility. All remittances will be sent to the Philadelphia VA Regional Office and Insurance Center, P.O. Box 8079, Philadelphia, PA 19101.

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

#### F. ENDORSEMENTS OF-REMITTANCES - CHECKS AND OTHER NEGOTIABLES

1. As a general rule, all checks and other negotiable instruments received by the Agent Cashier Accounting Activity 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 Treasury, \_\_\_(date)\_\_\_\_. Deposited by the Agent Cashier, Department of Veterans Affairs (Central Office, Regional Office, Medical Center or Domiciliary, 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 of receivables for which the FSC has accountability and the memorandum receivables are maintained at the depositing station. In these instances a separate SF 215 will be prepared with the FSC's eight-digit symbol shown. The endorsement will also carry the FSC's symbol. Checks drawn to the order of a VA official of VA by name or title will not

require the personal endorsement of that official. The Agent Cashier Accounting Activity will affix the above endorsement preceded by the statement:

“Absence of Payee's Endorsement Waived, Department of Veterans Affairs”

2. 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 will 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 will in writing authorize the Agent Cashier Accounting Activity to endorse checks to be transferred, if such authorization is considered advantageous. The restrictive endorsement will be initialed by the Agent Cashier Accounting Activity. 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.

3. 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 12.a. above, except the endorsement will contain the following legend "Accom Exch" so these instruments will be properly tracked.

4. Negotiable instruments cashed as accommodation exchanges are not collections within the meaning of the 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 Principal Agent Cashier will endorse them.

## APPENDIX F: CREDIT CARD COLLECTIONS

### CREDIT CARD COLLECTIONS

#### A. Plastic Card Collection Network (PCCN)

1. On September 24, 1987, Treasury's 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.
2. 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.

#### B. EQUIPMENT REQUIRED

1. A Credit Card Imprinter is required to capture the customer's card number on the sales charge draft.
2. A 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 will be obtained from the VA contractor and must be programmed by the contractor before transactions can be processed. *(Note: POS terminals require modular telephone jacks.)*

#### C. EQUIPMENT TRAINING

1. The VA contractor provides training on electronic draft capture systems by telephone, and operating instructions are included with the shipment of POS terminals.
2. Instruction manuals will also be provided by the VA contractor on the preparation of the sales drafts and verification of the credit cards.

#### D. INTERNAL OPERATING PROCEDURES

1. Collections received via credit card will be receipted in the same manner as all other collections as stated in paragraph 9, Receipts, with the exception the two-part sales draft will be used in lieu of VA Form 4-1027 to record the collection. *(Note: These forms are not considered accountable forms.)*

2. The electronic terminal eliminates the need to mail or deliver bank card collections for deposit, because 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. The Treasury contract bank will, in turn, transmit deposit information to a Web site where the information can be viewed by VA. *(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.)*

3. 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 with legal accountability. The terminal batch summary slip will be used in lieu of the paper SF 215 to record the electronic deposit. Credit card deposit tickets must be exactly six digits. The first two digits are 99, followed by the last digit of the fiscal year and the three-digit Julian date of the deposit to indicate this is an electronic deposit via credit card. For example, for transactions settled on March 31, 2006, the agent cashier will annotate the batch summary with 996090. All stations are required to use this format. The Julian date the station will use is the actual day of the deposit. Do not use the Julian date for the next day or any other date. The agent 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 section to record the collection in the accounting system.

4. VA may accept credit or debit cards from Veterans wanting to pay for services related to their medical and pharmacy care. Credit or debit cards may also be used by employees, current or separated, who wish to pay for other types of debts where a bill of collection was issued. Card Not Present (CNP) transactions are credit card transactions when the card holder is not physically present, such as those received by telephone or through the mail. The bank is contracted by Treasury to provide the settlement services for credit cards processed by the Agent Cashier. The Payment Card Industry Security Standards Council (PCI SSC) requires any facility processing a transaction through a credit card POS terminal to enter its CNP in a compliant manner. VA staff must adhere to processing standards required by Treasury and their contracted banks. Facilities using CNP payments must enter the following required information: CVV2 (Card Verification Value) card code, the numeric portion of the street address and the 5-digit ZIP code. All CNP fields must be completed. Note: The CVV2 on Visa, MasterCard and Discover cards is a 3-digit code located on the back of the card, usually on or near the signature panel. For American Express, it is a 4-digit code printed on the front of the card. VA facilities are responsible for ordering credit card terminals and supplies for credit card POS terminals used by agent cashiers. Facilities are encouraged to utilize local sources for procurement of terminals and supplies (if new or additional terminals are needed). If a facility purchases a new terminal, call the US Treasury Client Service Line at 866-914-0558 to arrange for set up.

## E. ACCOUNTING INSTRUCTIONS

1. All collections will be deposited to ALC 3600 1200. The Accounting section will record credit card collections in the same manner as all other collections, except the credit card deposit ticket number as described above (first two digits are 99, followed by the last digit of the fiscal year and the three-digit Julian date of the deposit) will be used in lieu of the SF 215 number. At regional offices, the Accounting section will record the collections to their station's budget clearing account for Hines or for the DMC and will make the necessary disbursement from the account via an SF 1081, *Voucher and Schedule of Withdrawals and Credits*, or VA Form 4-4564, *Transfer of Disbursing Authority*, to transfer the collections to CARS, Hines or IPAC.
2. Sales drafts and the terminal batch summary will be retained in settlement date order to satisfy the retention standards of General Records Schedule 6, Item 1, Accountable Officers' Files.
3. The VA contractor will provide the FSC 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.

## APPENDIX G: PREPARING FOR DEPOSITS

### ADMINISTRATIVE PROCEDURES PRIOR TO DEPOSIT

#### A. RECEIPT OF COLLECTIONS

1. All monies collected by field stations will be received, where practicable, by the agent cashier.

a. When it is necessary for officials other than the agent cashier to receive collections, 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. Reasonable efforts must be made to secure the collections temporarily until turned over to an agent cashier. For example, collections can be safeguarded by locking them in the official's desk drawer/file cabinet or other secured area until they can be turned over to the agent cashier.

b. All checks received via U.S. mail will be submitted to the agent cashier within 24 hours for deposit. No check will remain in any safe or secured office more than 24 hours, unless it is the agent cashier.

(1) Collections received via mail will be delivered by the mail unit directly to the agent cashier in the envelope in which they were received. The agent cashier will retain the envelope until the remittance is completely identified.

(2) 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.

(3) Any items inadvertently received by the agent cashier are to 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 and are subsequently identified as insurance items, the Finance Activity will prepare an SF 1166 for transfer and include the postmark dates of the remittances being transferred as well as other necessary data.

2. Contaminated remittances will be handled as any other hazardous material. VA will adhere to the guidance provided to Federal Reserve Banks (FRB) in the FRB's Cash Operations Manual of Procedures, specifically those procedures related to handling contaminated currency and coins (see 030316 above). These procedures will be supplemented, as necessary, by any instructions used by VA local facility's Hazardous

Materials Team. Documentation will be maintained relating to the amount of funds involved.

## B. TYPES OF COLLECTIONS

1. Remittances in the form of cash, checks, drafts, traveler's checks and money orders will be accepted. Collections will also be remitted by credit card under certain conditions.

a. Personal checks for deposit in the Personal Funds of Patients (PFOP) account (36X6020) will not be accepted in excess of \$100. This limitation will be waived by the station Director or designee if a determination has been made that the circumstances justify such action (e.g., where large personal checks are received for deposit to the PFOP account from guardians). Guardians of incompetent beneficiaries in VA medical centers will be permitted to make checks, etc., payable to "Director, VA Medical Center, (City, State and ZIP Code)."

b. Postage stamps will not be accepted.

c. 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 all deposit(s), so the credit will not be recorded until it has been paid by the bank on which it is drawn.

(1) This deferred credit period will ordinarily be 10 working days for paper checks (2 working days for PCC OTC) but will be longer if it appears probable the information regarding failure to collect will not reach the field station within the deferred credit period, such as when drawn on a bank out of the area.

(2) The exact deferred credit period will be shown by the following entry: "Credit deferred until (date)."

(3) The deferred credit period will 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 Director or designee will ascertain the collectability of the check by contacting the bank upon which the check is drawn. Extreme care will 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.

(4) The 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.

(5) The deferred credit period is not required in those cases where personal checks of VA employees are received in payment of Government indebtedness and the Chief of the Finance Activity determines the Government's interest is adequately protected.

d. Agent cashiers will familiarize themselves with currency security features published by the U.S. Department of the Treasury, Bureau of Engraving and Printing, at [www.moneyfactory.gov](http://www.moneyfactory.gov). The agent cashier will carefully examine all bills in denominations of \$50 or higher prior to acceptance. This includes verifying the presence of the security thread and watermark. Agent cashiers are also encouraged to obtain UV lights and counterfeit bill detector pens to examine and test all denominations of \$50 or higher prior to acceptance.

### C. EXAMINATION OF COLLECTIONS

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

2. In general, unsigned checks and drafts, 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 so it will be collected. However, checks, drafts, etc., received for insurance items will be forwarded to the appropriate insurance activity as received, regardless of the manner in which they were drawn or endorsed.

3. 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 signed blank check is received with a request the amount due be supplied, the agent cashier with legal accountability will ascertain the correct amount and complete the check. Checks received with the date omitted will have the current date supplied.

4. 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 with legal accountability will indicate on the 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.

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

6. 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 will 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 Finance Activity or to the Chief, Operations, Debt Management Center in St. Paul, MN, for a decision as to the acceptance or rejection of the offer.

a. 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, Operations, Debt Management Center, St. Paul), the agent cashier will pursue follow-up action to ensure timely disposition.

b. 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.

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

#### D. RECEIPTS FOR COLLECTIONS

1. The agent cashier will prepare a Field Service Receipt form either on the date of receipt (not a day or more afterwards) or when the station actually performs the function 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.

a. The remitter's copy will not be furnished to the remitter except in cases involving a cash remittance, interest and administrative charges or when specifically requested by the remitter. When the original receipt is not furnished to the remitter, it will be used as a source of record or destroyed.

b. The following pre-numbered receipt forms will be used in receipting for the classes of collections indicated:

(1). VA Form 4-367

(2). VA Form 4-1027

(3). VA Form 4-1028

2. 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 pre-numbered receipt.

a. 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.

b. 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.

c. 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.

d. When issuance of the remitter's copy of the receipt is required, it will be initialed by the Principal Agent Cashier, Alternate Agent Cashier or subcashier.

e. 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.

3. 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" or "See Attached" 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 or on a separate sheet attached to the field service receipt.

4. 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.

a. If the remittance covers a refund of an overpayment, the appropriation to which the payment was charged will be shown on the receipt.

- b. 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.
  - c. 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.
5. 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 is available. It is necessary that field service receipts be completed in sufficient detail to identify the appropriation or funds to be credited.
6. 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.
- a. A single receipt will 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.
  - b. Separate receipts showing the deferred credit date will be issued for personal checks.
7. Funds left for deposit with employees other than the agent cashier will be turned over to the agent cashier, together with 2 copies of VA Form 10-2815.
- a. The cashier will initial one copy and return it to the employee signing the temporary receipt and file the other.
  - b. 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 VA Form 4-1027 or 4-1028 in the space provided for "Initial Receptor."
  - c. The number and date of VA Form 4-1027 or 4-1028 will be recorded on the remaining copy of VA Form 10-2815 and that copy will be filed by the Agent Cashier Accounting Activity.
8. 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 VA Form 4-1028 will be distributed as required.

9. When collections are made by an Alternate Agent Cashier during periods of absence by the Principal Agent Cashier (such as breaks, lunch, short periods of leave) and subsequently turned over to the Principal Agent Cashier, a memorandum receipt must be obtained for same by the alternate. These items will include cash, checks, receipts issued, etc. The memorandum receipt will be retained for whatever period the facility deems necessary.

## APPENDIX H: DEPOSIT PROCEDURES

### PROCEDURES IN PREPARATION FOR DEPOSITS

#### A. DEPOSIT TICKET PREPARATION

1. The Treasury Financial Manual (TFM), Volume 1, Part 5, Chapter 3000 provides guidance on how to prepare and use the SF 215. Deposits with the FRB and branches, as well as with other Federal depositories for all classes of collections will be made on the SF 215, which is designed for processing by Treasury on optical character recognition equipment. Blocks 2, 3, 4 and 5 (memorandum copy) must be typed single-spaced and in the fonts specified. All depositors are to use American National Standards Institute's OCR A font (ANSI OCR-A) 10-pitch (10 characters per inch) when completing these blocks. If ANSI OCR A is not available, use Pica 10-pitch. Elite 12-pitch can be used but is less preferred than the fonts previously listed. Specialty fonts such as Adjutant, Advocate, Artisan, Courier, Delegate, Gothic, Italic, Scribe, Script, etc., are not acceptable. Typeovers, erasures and other corrections cannot be made to entries in these blocks.
2. A separate series of sequential control numbers will be established at each facility at the beginning of the fiscal year for all SF 215's prepared to deposit collections. This VA control number will consist of six numeric characters and will be placed in block (6) of an 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. If an SF 215 has a preassigned six-digit sequential number in block (1), include a three-digit station number in block (6) following the words "AGENCY USE." Provide the facility address in Block 9, Depositors Title, Department or Agency and Address. For Agent Cashier Accounting Activities other than the FSC, do not use the address of the FSC.
3. The Principal Agent Cashier will convert all cash to money order or check form before preparing an SF 215 and making a deposit with an FRB because an FRB will not accept cash deposits. The list of FRBs is contained in the TFM, Volume 1, Part 5, Chapter 2000.
  - a. Checks need not be sorted, but must be accompanied by an adding machine tape or other list 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.
  - b. 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.

4. Principal Agent Cashiers must be aware of their depository's cutoff time for recording transactions and establish a processing schedule to allow deposits to reach the depository before its cutoff time for posting. If deposits are delivered after the cutoff time, then block (2) of the SF 215 must show the next business day's date. Dates reflected in block (2) of the SF 215 and recorded through the AR VISTA/IFCAP and FMS systems must be the same as those reported by the bank to Treasury.

a. EXAMPLES:

- (1) Depository cutoff time 2 p.m.
- (2) Deposit delivered at 1:30 p.m. on Monday
- (3) SF 215 block (2) date: Monday's date

- (1) Depository cutoff time 2 p.m.
- (2) Deposit delivered at 2:30 p.m. on Tuesday
- (3) SF 215 block (2) date: Wednesday's date

5. Collections received 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 CP&E 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 facility. A medical center or other office receiving a collection applicable to the CP&E computerized systems will forward the collection for deposit to the appropriate regional office or medical and regional office maintaining the memorandum receivable records. Collections for Bills for Collection received at the FSC will be deposited by the FSC and processed in FMS for the applicable station.

6. 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 an SF 080 or other form, the number or description of that form will be indicated on the SF 215.

7. The distribution of an 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 will 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.)

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

8. Deposit tickets for foreign currency and checks drawn on foreign banks payable in foreign currency will be completed in the usual manner except the U.S. dollar amount will be left blank and block (2), Date Presented or Mailed to Bank, will also be left blank. The date mailed will be recorded in block (6), Agency Use. The reverse side of the deposit ticket for foreign checks will 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 TFM, Part 5, Section 6020.

a. 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 at 1-800-387-1012. The Treasury-assigned five-digit client number, 37539, will be required as well as the Agency Locator Code (ALC).

(1) Currency deposits of \$5,000 USE or less will be accompanied by the deposit ticket(s) and be 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

(2) Bank of America will provide self-sealing shipping bags and will arrange for pickup by Brinks for currency deposits over \$5,000 USE. The deposits will 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

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

Citibank N.A.  
Foreign Check Clearing  
P.O. Box 15962  
Wilmington, DE 19850-5962

c. 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 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.

d. A single deposit ticket will 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.

e. Checks drawn on foreign banks, other than Philippine, in U.S. dollars are payable through a bank in the United States. The checks will have an American Bankers Association (ABA) routing number in the upper right corner. They will be Magnetic Ink Character Recognition (MICR) encoded with the U.S. ABA routing and transit number at the foot on the left side of the check. These checks will not be deposited with Citibank;

they will be included with the depositor's regular deposits made to a local depository or FRB.

f. 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 and any other collection charges will be charged back to the depositor through an SF 5515. The depository will prepare the debit voucher and return the form to the depositing facility in accordance with established procedures.

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

<u>Copy</u>	<u>Initial Distribution</u>	<u>Final Distribution</u>
1	To depository with deposit	Retained by depository. Rate of exchange and dollar equivalent applicable to each appropriation or fund symbol appearing on the deposit slip will be indicated at the time the deposit slip is prepared, based upon exchange rate information obtained daily from depository.
2-3	To depository with deposit	Acknowledges and returns to depositor for delivery to the Regional Disbursing Office (RDO) the same day the deposit is made, after transcribing any necessary deposit data to copy 4. Copies 2 and 3 are 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.

9. Accommodation exchange instruments cashed by the Agent Cashier Accounting Activity will be deposited with the local depository or FRB as appropriate on an SF 215.

Instructions for preparing an SF 215 for these purposes are the same as for deposits of collection items except as follows:

- a. On the SF 215, the agency station symbol 36-00-1200 will be typed in block (3). Directly below blocks (1) through (4), type "Accommodation Exchange Transaction".
  - b. A separate series of sequential control numbers will be assigned to SF 215's 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 are 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 FMS and AR recording purposes.)*
  - c. The confirmed copy and memorandum copy of the SF 215 will be forwarded to the Accounting section, since the Agent Cashier Accounting Activity will be replenished through FMS. The agency copy will be retained by the Principal Agent Cashier.
  - d. Accommodation transactions will still be recorded, except a copy of the listing will be provided to the Accounting section 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, Budget Clearing Account (Suspense) 36F3875. The original of the receipt will be attached to an 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 memorandum copy of the SF 215. Both the field service receipt and OF 1129 will be identified as an "accommodation exchange" replenishment.
10. The Principal Agent Cashier will ensure the confirmation copy of the deposit ticket is received within a week to 10 days after the date of deposit and take appropriate follow-up action with the depository if not received.
11. Corrections or adjustments to an SF 215:
- a. The SF 215 cannot be recalled, corrected, nor resubmitted even if an error is discovered after it has been released to a depository. When errors are detected and the deposit has not yet been reported, depositors must instruct the depository to:
    - (1) Prepare an additional SF 215 for the difference if the deposit amount is to be increased.
    - (2) Prepare an SF 5515 for the difference if the deposit amount is to be decreased.
  - b. If an error is discovered any day subsequent to the day of deposit, the depository will:

- (1) Reverse the incorrect voucher and report the correct information.
  - (2) Use the original voucher number and the original date and ALC/CIN when correcting a reporting error. The voucher date cannot be more than five years old.
- c. The depositor is responsible for obtaining the memorandum and confirmed copies of the adjustment documents (SF 215 or SF 5515) from the depository. Memorandum copies will either be retained for agency use or destroyed. *DO NOT SUBMIT MEMORANDUM COPIES TO TREASURY.* Effective February 14, 2005, FRBs increased the minimum check adjustment submission level to \$25.01. Treasury will not process an adjustment for any error under this amount. Stations will deposit excess funds to Treasury receipt account 36\_3220 (Fund 3220) and record all shortages to 20X1807 (Fund 1807).

## B. FREQUENCY OF DEPOSITS

1. The frequency of deposits will be determined by the daily dollar volume of funds received at a VA facility. Basic requirements governing the frequency of deposits and the amounts are as follows unless otherwise provided:
  - a. Receipts of \$5,000 or more will be deposited on a daily basis.
  - b. Receipts of less than \$5,000 will be accumulated and deposited when the total reaches \$5,000. However, deposits will be made no less frequently than weekly, by Thursday, regardless of the amount accumulated. In addition, personal checks that will have a deferred credit period endorsed on the receipt, as in Section A, paragraph 4, Forms of Remittances, will be deposited no later than the next business day following receipt of the check by the Agent Cashier Accounting Activity regardless of the amount of accumulated deposits on hand. All funds (cash/checks) received on the last workday of the month will be deposited that day but will be recorded in the accounting system on the first workday of the following month. Any receipts issued to payees for such funds collected on the last workday of the month will be properly dated with the date of receipt, i.e., date of the last workday.
  - c. All Treasury checks, whatever the amount, will be deposited separate from all other remittances, using the SF 215 procedures. These deposits will be sent by courier and deposited only to the nearest FRB, the locations of which are listed in TFM Volume 1, Part 5, Chapter 2. This deposit will be made as expeditiously as possible.
  - d. Depositors must keep records of deposited checks. The record must:
    - (1) Cross-reference each check to the applicable SF 215.
    - (2) Include sufficient detail to process a stop payment and obtain a duplicate check if necessary.

(3) Show the following:

- Amount;
- Name of the drawer;
- Name of the person from whom it was received (if other than the drawer);
- Bank on which drawn;
- Date drawn;
- Check number (if cashier's check or similar item);
- Checking account symbol and serial number (if drawn on Treasury);
- Serial number (if postal money order); and
- Routing number.

e. If a check or checks are lost in transit, the depositing agency will identify each payer to request a replacement check for the lost item(s). Therefore, while not required, the depositing agency will make copies of checks deposited before dispatch to allow for replacement if the shipment or any part thereof is lost or destroyed in transit. These records will be in the form of microfilm, photocopy or digital imagery checks.

2. Cash collections received by the agent cashier which are mailed to a Federal depository or an insurance collection unit will be handled as follows:

a. All cash collections will be converted to check or money order prior to shipment or mailing.

b. Where deemed advisable by the Chief of the Finance Activity, money orders will be purchased and transmitted for deposit in lieu of cash collections received. Fees for money orders obtained for this purpose will be paid from agent cashier funds.

3. 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.

4. MCCF receipts will be deposited and posted to FMS and VISTA AR/IFCAP. The Explanation of Benefits (EOB) will be sent to the MCCF Unit at the same time.

5. Checks drawn on foreign banks and foreign branches of U.S. banks, whether payable in U.S. dollars or in a foreign currency, will be endorsed in the usual manner and transmitted for deposit to the appropriate depository, along with the covering deposit tickets.

6. Each field station will be advised as to the designated depository by the Cash and Debt Management Division (047GC1) in VACO. When an FRB or its branch is designated as a depository, deposits will be mailed or delivered. When a commercial bank is designated as a depository, the deposits will be delivered; they will not be

mailed unless prior authorization has been received by contacting Treasury's Banking Operations Branch at (202) 874-6900. Armored car service will be used if justifiable.

7. Monies received by the Agent Cashier Accounting Activity 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 Accounting Activity. Each transaction will be attested to by the signatures in the logbook of the Agent Cashier Accounting Activity and one other witness who is not an employee of the Agent Cashier Accounting Activity.

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

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

2. 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 alternate, to witness the content of the shipment in case a loss will be sustained. This applies to collections being carried to designated depositories as well as collections to be mailed. The employee used to witness these shipments will be routinely rotated. The agent cashier should prepare and retain VA Form 4-1011 Record of Shipment of Valuables. This form and other relevant documents should be placed in the sealed package for later identification in case of loss. This documentation would be the official record to support the establishment of debts, relief from accountability, and adjustment of accountable property records, supply system stock and financial records.

3. When mailing collections, it is considered good administrative practice to forward such items by registered mail when the package contains cash or negotiable instruments and by certified mail when the package contains only nonnegotiable items.

a. 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.

b. All instruments endorsed for deposit 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.

c. Packages containing nonnegotiable items or cash and/or negotiable instruments totaling up to \$100 will be delivered to the administrative mail clerk for registration or dispatch by certified mail, as appropriate, without the prepayment of postage costs and fees.

d. 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.

e. Insurance collections for dispatch will be registered or certified. However, since insurance collection instruments are not endorsed by the Principal Agent Cashier by rubber stamp prior to dispatch to an Insurance activity, only those instruments payable to VA or Treasury and Agent Cashier Accounting Activity 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.

f. When valuables are mailed or shipped by air express or other carrier or transported by the Principal Agent Cashier or other VA personnel, including the transportation of cash to be exchanged for money orders, the Principal 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 and 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. When valuables are transported by the Principal Agent Cashier or other VA personnel, a security escort is required.

#### 4. Loss in Shipment

a. Any loss of shipment will be reported immediately to the nearest U.S. Secret Service and FBI offices and to the local VA Office of Inspector General and the U.S. Post Office or carrier by which shipment was made.

(1) Field stations will cooperate fully with these agencies in facilitating an investigation and will place a tracer on the shipment whenever advisable.

(2) The following information relative to the loss will also be furnished to the FSC, Agent Cashier Accountability Activity:

- Date of shipment
- Amount and character of loss (i.e., amount of PFOP, insurance co-pay)
- Name and address of consignee
- Registry receipt number when applicable

- Statement of cause of loss, if known
- b. Immediately upon discovery of the loss, destruction or damage, the Finance Activity will take action to stop payment or delivery on the original document.
- (1) Effort will be made to obtain replacement of the document without the execution of an agreement of indemnity.
- (2) When it is not possible to replace the document, a full report will be submitted to the FSC, Agent Cashier Accountability Activity. 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 effort to obtain replacement.
- c. An exception will be made to the reporting requirements 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 U.S. Postal Service will assume full liability for the loss. Field stations, therefore, will file claim with the local postmaster at the point of dispatch.

#### D. UNCOLLECTIBLE ITEMS

1. When a check proves to be uncollectible, the depository will prepare an SF 5515 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 is not prepared in such cases until the elapse of a period of time mutually agreed to by both parties.
2. Debit Vouchers
- a. An SF 5515 received at the facility will be handled promptly. An OF 1114, *Bill for Collection*, will be issued immediately by the Finance Activity. The Accounting section will take the action necessary for recording the debit. When the debit voucher applies to the PFOP account (36X6020), the amount must be recorded in the patient's account.
- b. 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.

3. 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 an SF 5515 when the deposit ticket is to be decreased. An additional SF 215 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.

#### **E. CUSTODY OF RECEIPT FORMS AND RECORDS.**

1. 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 Principal Agent Cashier will verify the first and last numbers of each class of receipts and any discrepancy will be reported to the Forms and Publications Depot.

2. A memorandum indicating the numbers of each class of receipts, signed by the cashier, will be forwarded to the Accounting Section.

#### **F. ERRORS IN AMOUNTS STATED ON THE RECEIPTS.**

1. When errors have been made in stating amounts on receipts for cash remittances, no corrections, strikeovers, 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.

2. Where other than cash remittances are received and errors are made in stating amounts on receipts, correction of the amount will be made without voiding the receipt.

#### **G. VOIDED FIELD SERVICE AND COUNTER RECEIPTS.**

1. When it is necessary to void a field service or counter receipt, all copies will be marked "Void."

a. 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.

b. All copies of field service receipts attached to the applicable deposit ticket will be forwarded to the Accounting section.

c. 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 section.

**H. FUNDS FOUND ON PREMISES**

1. Funds found on premises under the control of VA with ownership unknown will be placed in 36F3875 Budget Clearing Account (Suspense). VA Form 4-1027 will be issued to the remitter. VA will annually recertify that the balances in the clearing accounts for the preceding year do not include transactions over 60 days old.
2. If ownership is established to the satisfaction of the facility director, the funds will be released on VA Form 2064, *Authority to Release and Ship Effects and Funds*.
3. If ownership is not established in 90 days, as prescribed by 38 C.F.R. 12.24, the funds will be transferred to the General Post Fund.

## APPENDIX I: CASHIER FUND DISBURSEMENTS

### DISBURSEMENTS MADE BY AGENT CASHIERS

#### A. GENERAL – ALL CASHIERS

1. Agent cashiers will make cash payments for money orders as follows:
  - a. Principal Agent Cashiers or alternates have authority to use agent 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 will only be used in those circumstances where payment by cash or Treasury check is neither possible nor efficient.
  - b. Cash payment for money orders will be made to convert cash collections to money orders for deposit in lieu of cash collected.

#### B. DISBURSEMENT OF FUNDS DURING DECLARED EMERGENCY<sup>1</sup>

1. A VA-declared emergency occurs when the Secretary of VA (Secretary) or designee issues a statement of “declared emergency” noting the time the emergency is declared and the VA facilities covered by the declaration. A declared emergency also includes situations during which the Secretary or designee determines that Department operations will be adversely impacted at one or more VA facilities to the extent that extraordinary measures may be required to deal with the immediate impact of the event (e.g., fire, natural disaster, act of terrorism) or to restore routine operations.
2. In addition to the Secretary-declared emergency, VA may also provide support based on the President of the United States issuing a statement of declared emergency. This Presidential declaration is a request for VA and other Federal departments and agencies to provide full and prompt cooperation, resources and support, as appropriate and consistent with their own responsibilities, for protecting national security (Homeland Security Presidential Directive/HSPD-5).
3. VA will properly track expenditures, account for costs, and maintain documentation for its funds during a declared emergency.
4. During an emergency/disaster when a Veteran is unable to use a selected financial institution, the agent cashier should use the procedures in place to increase the agent cashier funds to make funds available to the Veteran. (Refer to Paragraph 030502,

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<sup>1</sup> For additional information on declared emergencies, refer to Volume XIII, Chapter 6, *Accounting During Declared Emergencies*.

Funding Actions for Agent Cashier, Appendix B, Agent Cashier Fund Advances and Appendix C, Replenishment Vouchers: Cashier Fund Replenishment, above).

5. The authorized delegated official will notify field facilities of the appropriate procedures to use if the EFT<sup>2</sup> payment is unavailable.
6. If the disaster or emergency situations exceed the agent cashiers control, the delegated authority will contact VA's Financial Services Center to request direct assistance from Treasury.
7. Through the proper contact person at VA, Treasury's FMS will issue payments to emergency victims, based on certified requests received from Federal Program Agencies. Normally, the emergency payments will be issued from FMS's Regional Financial Centers, but if a need exists, FMS can establish an emergency disbursing office at or near the location of the disaster. FMS has the capability to issue emergency payments in both check and electronic form, in any volume necessary. (See TFM Part 4, Chapter 2000, Payment Issue Disbursing Procedures.) For additional information, please contact the FMS Emergency Disbursing Manager at:

Financial Management Service  
Disbursement Management Division  
Emergency Disbursing Manager  
Liberty Center, Room 335  
401 14<sup>th</sup> Street, SW  
Washington, DC 20227  
Telephone: (202) 874-6800

### C. BENEFICIARY TRAVEL ALLOWANCES

1. The following forms must be received prior to payment:
  - 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 Nonemployee Attendant*.

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 agent cashier voucher. Upon receiving payment, the traveler will be required to sign the form in the space provided.

2. Claims from beneficiaries for reimbursement of actual and necessary expenses for travel will be paid upon presentation of a certified voucher, SF 1012, *Travel Voucher*,

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<sup>2</sup> For additional information on EFT payments during declared emergencies, refer to Volume VIII, Chapter 2, *Electronic Funds Transfer Requirements*, Appendix A.

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 will be made on the same voucher used to pay travel expenses.

3. Payments to beneficiaries for local transportation will be made upon presentation of VA Form 70-3542 or 70-3542d, properly certifying that the beneficiary completed the trip. The forms will be numbered sequentially beginning with number 1 and numbered consecutively for each group of payments to be consolidated into a single agent cashier voucher. Receipt for payment requirements will be the same as for mileage allowance.

4. A nonemployee attendant will 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.

5. When a beneficiary is to be discharged on a Saturday, Sunday or holiday and requests cash payment for return travel, funds will be obtained from the agent cashier activity by an employee designated in writing. This employee will furnish the agent cashier activity with 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 activity no later than the close of business on the first normal workday following the nonworkday, at which time the agent cashier activity will return the memorandum receipt.

#### **D. COURT COSTS, RECORDING FEES, AND OTHER COSTS**

1. In cases where cash payments are required, such as a prepayment of court costs, recording fees or in any case where the facility director deems it advantageous, cash will be released to an employee designated by the facility 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.

2. The Principal 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.

3. 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 received the funds. If due to extenuating circumstances, 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 his or her return to the office.

## **E. NEGOTIABLE INSTRUMENTS**

1. Agent cashiers are authorized to accept Treasury checks in full payment of indebtedness owed to VA by employees or Veterans. The agent cashier cannot commingle such receipts with the agent cashier fund advances. The agent cashier will take the following actions:
  - a. When the Treasury check matches the full debt amount, the agent cashier will accept the Treasury check in payment of debt, maintain it separately from the agent cashier disbursing fund and forward it to the Chief of the Finance Activity for proper deposit to VA accounts.
  - b. When the Treasury check exceeds the amount of the debt, the Agent Cashier will pay the debtor the difference out of the agent cashier disbursing fund as funds permit, then forward the accepted check to the Chief of the Finance Activity for proper deposit to VA accounts. The disbursing fund will be replenished for the difference paid the debtor.
2. In accepting Treasury checks to pay for indebtedness, the agent cashier will take such action considered necessary to identify the individual presenting the check as the rightful payee and to ensure the check is not one which will have come into possession by endorsement. A field service receipt will be issued for the money withheld to apply against the indebtedness.
3. Agent cashiers are authorized to accept checks written by representatives of the Disabled American Veterans (DAV) for beneficiary travel of non-hospitalized Veterans, provided the checks are endorsed by the Veterans in whose favor they are drawn.
4. Agent cashiers are also authorized to accept the following negotiable instruments for competent hospitalized and domiciled beneficiaries, provided the instruments are endorsed by the Veterans in whose favor they are drawn and do not exceed the amount of \$800:
  - Checks drawn on the United States Treasury
  - Postal money orders within period of negotiability
  - Checks drawn by State Government agencies, within period of negotiability
  - Certified checks
  - Travelers' checks
  - Telegraphic money orders
  - Bank drafts
  - Cashier's checks
  - Bank money orders
  - Express money orders

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

5. Agent cashiers are also authorized to cash Treasury checks for non-hospitalized homeless Veterans who wish to cash VA benefit checks onsite, but only to the extent permitted by the agent cashier's advance of funds. Accommodation exchange authorization has only been extended in two instances to cash checks for non-hospitalized Veterans by Treasury, which are DAV checks written for beneficiary travel and VA benefit checks mailed in care of agent cashier activity.

6. Agent cashiers will maintain a record of the front and back of all negotiable instruments for control purposes.

#### **F. SEPARATED EMPLOYEES**

1. In accordance with Volume XVI, Chapter 1, *Government Purchase Card Policy*, convenience checks will not be issued for salary payments or transactions processed through the payroll system.

2. Payment of purchase and hire payrolls will be made in the same manner as those of separated employees.

## APPENDIX J: CONVENIENCE CHECKS

### CONVENIENCE CHECKS

#### A. GENERAL INFORMATION

1. Convenience checks are written against a purchase card account. Convenience checks are a payment and/or procurement tool intended only for use with merchants who do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort only when no reasonable alternative merchant is available who accepts the charge card. Public Law 104-134 (Debt Collection Improvement Act of 1996) requires that, with limited exceptions, Federal payments be made through electronic means. Treasury has ruled that checks are not EFT compliant.

2. Since convenience checks are under the VA Purchase Card Program, the Head of Contracting Activity (HCA), or designee, will delegate authority to issue convenience checks upon completion of the online Purchase Card training course and completion of VA Form 0242c, Government-wide Convenience Check Certification form.

3. Convenience checks will be signed by the convenience check account holder in accordance with VA Purchase Card Policy, Volume XVI, Chapter 1. These checks are connected to a purchase card, not a bank account. The 14-digit number printed at the bottom of convenience checks is not an actual bank account number. Since there is no valid bank account number on the check, most banks will not cash convenience checks. However, if the convenience check is deposited, it flows through the normal bank transaction process and will be deposited into a bank account.

#### B. ACCEPTABLE USES

1. OMB Circular A-123, Appendix B indicates that convenience checks will be written only for use with vendors who do not accept the purchase card, for emergency incident response and for other Agency approved purposes that comply with Public Law 104-134, the Debt Collection Improvement Act of 1996. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the charge card.

2. VA Purchase Card Policy, Volume XVI, Chapter 1 prohibits the issuance of convenience checks for amounts above the current micro-purchase limit for supplies (\$3,000), services (\$2,500), and construction (\$2,000), as defined in the Federal Acquisition Regulation, Section 2.1, Definitions. Convenience checks will be written only for the exact amount of the purchase. Multiple smaller convenience checks cannot be written to override the various dollar limitations cited in this paragraph.

### **C. RESTRICTIONS ON USE**

1. Convenience checks will not be written in the following instances:
  - Vendors who accept the purchase card;
  - Vendor transactions being accomplished under another method of acquisition, e.g., purchase orders, contracts (see FAR 32.1103 for permissible exceptions);
  - Employee reimbursements;
  - Cash advances;
  - Salary payments, cash awards or any transaction processed through the payroll system;
  - Employee travel-related transportation tickets;
  - Meals or lodging related to employee travel except as related to emergency incident response;
  - Veteran benefits payments including but not limited to Personal Funds of Patient (PFOP) reimbursements, Compensated Work Therapy (CWT) salary payments, and beneficiary travel reimbursements; and
  - Purchases above the micro-purchase limit.

### **D. DESIGNATED USERS**

1. The Chief of the Finance Activity at VA facilities will designate agent cashiers who are authorized to issue convenience checks upon completion of required training and delegation of authority to issue convenience checks granted by the HCA.
2. Convenience checks will be completed and signed by the convenience check account holder only. The payee then deposits the convenience check in their bank or financial institution. When accepted, the convenience check flows through the banking system and is presented for payment at the contractor's bank.
3. Purchases paid for by convenience checks are subject to the same procedures required for cash fund purchases. The maximum single convenience check transaction is limited to the micro-purchase threshold, currently \$3,000 for supplies, \$2,500 for services subject to the Service Contract Act, and \$2,000 for construction subject to the Davis-Bacon Act.

### **E. SECURITY AND INTERNAL CONTROL.**

1. The Chief of the Finance Activity is responsible for maintaining an inventory of convenience checks sufficient to meet a facility's needs.
  - a. Orders will be placed directly with the contractor. Upon receipt, the agent cashier will verify that the number of convenience checks delivered match those reflected on the delivery note. Any discrepancies will be noted and reported immediately to the Chief of the Finance Activity and the contractor.

b. An inventory will be maintained by the agent cashier to show the receipt, distribution and issuance of all convenience checks. Each authorized employee must also maintain an inventory of all convenience checks received and issued by them. A report reflecting the convenience checks issued or voided and the inventory on hand will be submitted to the agent cashier each month by other authorized VA employees.

c. Because convenience checks 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 fund activity.

2. Authorized employees are administratively accountable for the checks entrusted to them. They will ensure that all vouchers presented for payment under the convenience check system are reviewed for completeness and accuracy and that approval has been received from the authorized approving or procurement official. Authorized employees will complete and sign only those checks specifically assigned to them by the agent cashier.

#### **F. DISBURSEMENT PROCEDURES.**

1. Documentation required by VA for the issuance of convenience checks is the same as that for paying with cash. Sufficient documentation (i.e., purchase order) will be in evidence before convenience checks are issued. Each check is pre-printed with a sequential serial number and will be used in numerical order. All checks will be accounted for including voided checks. Each completed convenience check will contain the following information:

a. Insert your three digit station number in the memo line/area of each check.

b. In the information block, enter a brief description of the goods or services purchased and/or applicable data.

c. In the authorization number block, enter the five digit number assigned by the convenience check contractor.

d. In the date block, enter the date on which the check is issued to the payee.

e. In the Pay to Order block, enter the name of the payee (vendor, beneficiary, employee).

f. In the amount block, enter the exact amount of payment.

g. The signature block can only be signed by the individual authorized to issue that series of checks.

G. COPY DISTRIBUTION. On a daily basis, authorized employees will distribute convenience check copies as follows:

1. The original copy is given to the vendor or payee.
2. A photocopy will be forwarded, with the supporting documentation, to the Accounting section to record the appropriate accounting offsets.
3. A second copy will be retained by the issuing employee for a minimum of one year unless it is for supplies or services.
4. If the convenience check is used for the acquisition of supplies or services, the issuing employee will retain the second copy for four years (Federal Acquisition Regulation, 4.705-1 – Financial and Cost Accounting Records, subparagraph (d)).

H. ACCOUNTING TRANSACTIONS FOR OFFSETTING CONVENIENCE CHECKS. Obligations are offset and expenditures recorded in the VA's financial accounting system using FMS transaction DD 03 (I) referencing the CB transaction and the obligation.

I. VOIDING CONVENIENCE CHECKS. If errors occur in any field except the money fields, they will be corrected and initialed by the initiator. If errors occur in the money field, the convenience check will be voided. Checks that have not been cashed or have been returned by payees will also be voided. To void a check, stamp or write in ink diagonally across all copies "VOID NOT NEGOTIABLE." Do not destroy any copies or obliterate the check or authorization numbers. If the check has been signed, the signature will be blackened out.

J. STOP PAYMENT REQUESTS. In instances when a stop payment becomes necessary, the agent cashier or accountable agent will annotate the check master record file and immediately contact the financial institution to prevent acceptance during daily processing. All verbal requests for stop action will be followed by a written request. Simply noting "stop payment action" in the check file is not enough to stop payment through the banking system. The procedure outlined above will also be followed for lost or stolen checks.

K. NONRECEIPT OF SALARY CHECK. Convenience checks will not be written for salary payments.

L. PFOP FINAL WITHDRAWAL OF FUNDS. The use of convenience checks for this activity is prohibited for patient funds; however, the use of Treasury checks and EFT is highly recommended.

M. **BENEFICIARY DISCHARGES.** The use of convenience checks is prohibited for beneficiary discharges; however, the use of Treasury checks and EFT is highly recommended.

N. **COURT FILING FEES.** These fees will be paid by convenience check in accordance with Volume XVI, Chapter 1, *Government Purchase Card*. Upon receipt of paid documentation, the Accounting section will record a payable and offset as prescribed in paragraph I above, Accounting Transactions for Offsetting Convenience Checks.

O. **TUITION CHARGES.** Purchase cards should be used where possible to make advance educational payments to colleges, universities and other sources of training required on behalf of approved VA employees. However, convenience checks may be used to pay these educational institutions that do not accept purchase cards as payment. The Accounting section will record a payable and offset as prescribed in paragraph I above.

P. **SUBSCRIPTIONS.** The use of convenience checks is permitted for subscriptions requiring advance payment with identifying enclosures. The accounting transactions are the same as stated in paragraph I above.

#### **Q. ORDERING INFORMATION**

Convenience checks can be ordered by your station's A/OPC online in US Bank's system.

#### **R. OTHER INFORMATION**

The station A/OPC is the designated facility contact to resolve technical matters with the contractor.

## APPENDIX K: SALARY CHECKS

### DELIVERY OF SALARY CHECKS BY AGENT CASHIERS

#### A. GENERAL

1. The Chief of the Finance Activity will recommend to the Disbursing Officers for VA's payroll providers, the name of an employee to be designated as an agent cashier to receive employee salary checks. Checks will not be delivered to employees prior to payday; however, they will be mailed on a temporary basis to the entitled employees prior to the issuance date, if it is determined delivery will not be made before that date.

2. No checks will be delivered personally or by mail to an employee leaving the service until it has been determined he or she is entitled to the full proceeds. If an employee is not entitled to the entire proceeds of a check or if any part of the information appearing is erroneous, the check will be returned to the disbursing office with a notation to that effect.

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

4. Checks which are undeliverable by either the agent cashier activity or the employee designated to distribute employee checks will be returned to the appropriate issuing Disbursing Office (e.g., DFAS) within 5 days after receipt. However, if an employee is on leave, the check may be held for up to 30 days.

a. DFAS payroll checks issued by Agency Location Code 9738-1600 with a U.S. Treasury check symbol (first 4 digits of the Treasury check number) of 6102 or 8522 should be returned to:

DFAS Cleveland Center  
ATTN: 19<sup>th</sup> Floor Vault  
1240 East 9<sup>th</sup> Street  
Cleveland, OH 44199-2055

b. VAOIG payroll checks issued by the National Finance Center should be returned to:

The National Finance Center  
P.O. Box 60000  
New Orleans, LA 70160-0001

## B. DELIVERY OF-CHECKS BY AGENT CASHIER

1. When practical, employee salary checks will be delivered personally by the Agent Cashier Accounting Activity.
2. The Agent Cashier Accounting Activity will mail salary checks to employees on leave or on official travel as a temporary measure. Upon receipt of a signed request from an employee, the Agent Cashier Accounting Activity will mail the 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 Accounting Activity. A telephonic or telegraphic request to mail a check will be honored upon a written request signed by the employee's supervisor. Generally, employees will prepare VA Form 4-1301a, *Request for Delivery of Salary Check*, in duplicate to request that the check be mailed. The original will be used as a check insert. Only the copy, which will be retained by the Agent Cashier Accounting Activity, needs to be signed. A record will be maintained of all checks mailed.
3. Delivery of an employee check to a third party will be on the basis of the VA Form 4-1301a or any signed request from the employee. The Agent Cashier Accounting Activity will secure written receipts for checks delivered to a third party. Due care will be exercised to assure no employee 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 the purpose of such delivery is to facilitate the collection of indebtedness. In bankruptcy cases, when directed by a court of jurisdiction, the Agent Cashier Accounting Activity will release an employee's check as directed in the court order. It is not necessary to obtain the permission of the employee in such cases.
4. Delivery by designated employees. Whenever it is not practical for the Agent Cashier Accounting Activity to deliver checks to employees personally, the facility director or designee will designate in writing an employee or employees (by name and title) for each administrative office to receive employee checks from the Agent Cashier Accounting Activity and to deliver them to the other employees. To the extent feasible, designated employees will 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. Employee checks not deliverable on payday will be promptly returned to the Agent Cashier Accounting Activity prior to the close of business on the same day.

## APPENDIX L: PAPER CHECK CONVERSION OVER THE COUNTER

### ESTABLISHMENT OF PAPER CHECK CONVERSION OVER THE COUNTER (PCC OTC) PROCESS

A. Paper Check Conversion Over The Counter. PCC OTC technology will:

1. Speed the deposit and collection process;
2. Automate deposit preparation (SF 215);
3. Resubmit failed “check” items on Automated Clearing House (ACH) network multiple times;
4. Reduce the number of bad checks accepted by an agency;
5. Reduce agency work load by removing paper from the process and
6. Provide an electronic record of transactions.

B. PCC OTC Application Process and System Setup. VA stations must submit a signed Agency Participation Agreement and an Agency Site Profile to participate in the PCC OTC program.

1. Agency Participation Agreement (APA). An APA sets forth the terms and conditions of participation for each new VA station applying for the PCC OTC program. There is one master agreement APA for PCC OTC that is standardized for the agency (VA) and must be completed by each new VA station applying for the PCC OTC program. The completion of the APA will be coordinated and approved through the station VACO Administration’s CFO Finance Office.

2. Agency Site Profile (ASP). Each VA station applying for the PCC OTC program must complete a PCC OTC modified Agency Site Profile (ASP). The ASP must be completed to activate the station’s access to the PCC OTC program. The modified ASP for VA station applications for the PCC OTC program must be completed and provided to the station VACO Administration’s CFO Finance Office for approval.

C. PCC OTC Hierarchy and Approval Process. The ASP will be forwarded to the Financial Service Center (FSC) following approval by the VA station VACO Administration’s CFO Finance Office. The FSC will then assign an Agency Location Code (ALC) + 2 that will be used by the station specifically for the PCC OTC process. The ALC + 2 designations will be unique to the PCC OTC hierarchy and numbering system, which will insure that the proper ALC +2 is being used for each station for reconciliation to the PCC OTC program. Following the assignment of the ALC +2 by the FSC, the ASP will be forwarded to Treasury for final approval.

D. Equipment Required.

1. The only expense to participate in the PCC OTC program is for the check scanning equipment. A check scanner is required to capture an image of the paper checks received over the counter or through the mail into electronic debits. There are three approved scanner models that may be purchased for the PCC OTC program. The cost per unit can range from approximately \$465.00 to \$1,400.00, depending upon the type of the check scanner purchased. All other associated costs are paid by Treasury's FMS.

2. There are specific computer hardware and software requirements for running the PCC OTC program. Each location must verify they have the minimum hardware and software requirements to run the PCC OTC software. This information will be verified by the station in the Agency Site Profile.

#### **E. PCC OTC Transaction Steps.**

1. PCC OTC is customized with 24 agency-specific configurable fields, 4 of which are searchable configurable fields. The 24 configurable fields will be the same for all VA PCC OTC stations for consistency. The four searchable configurable fields will be Site Location, Treasury Account Symbol (TAS), Document Number, and Remitter.

2. The agent cashier receives a completed and signed consumer/business check or money order (presented either face-to-face or through the mail). The PCC OTC system allows deposits received via check or money order to be cleared through the process of scanning the negotiable instrument. The PCC OTC program converts paper negotiable instruments received into electronic debits to the check writer's account through the Automated Clearing House (ACH) system or into a substitute check image that is truncated and cleared under the authority of Check 21.

3. PCC OTC scanners will accept personal checks and non personal/business checks, such as U.S. Treasury checks, traveler's checks, money orders and third-party checks. The scanners will not accept foreign items drawn on non-U.S. financial institutions and Savings Bonds. If a personal check customer chooses to 'opt out' and does not want their checks to be processed via ACH, that customer's personal check should be processed as a non-personal item. This will allow the check to clear their financial institution as a Check 21 item.

4. The agent cashier scans the check to read the Magnetic Ink Character Recognition (M.I.C.R.) data and captures an image of the check. Once the check is imaged, the agent cashier may enter information into the VA-specified configurable fields. A check is converted into an electronic transaction when the check imager reads the bank account (M.I.C.R.) information from the bottom of the check and stores an electronic image of the check. The bank account information is then compared against a database to verify the account is in good standing. The agent cashier will stamp the check "Electronically processed" if the scanner is not programmed to do so. In face-to-face

transactions, the agent cashier hands the voided check back to the check writer. For checks received through the mail, VA must destroy the check within 14 days.

5. Checks received at the point of sale (POS) are imaged, stamped "Void - Processed Electronically," and handed back to the check-writer. The agent cashier dates and time stamps the item, while the PCC OTC system will assign a unique transaction identifier number.

6. The agent cashier will perform a daily batch transmission of images and the associated financial information obtained from the checks to the Central Image and Research Archive (C.I.R.A.) located within the Electronic Verification and Imaging System (ELVIS), where the images and information are available to VA for a period of 7 years. VA may search and view any check image and any associated data captured in the configurable fields through the C.I.R.A. C.I.R.A. is accessed through the Internet via a secure connection (128 bit encryption) with user IDs and passwords. The user can search on any one of four searchable configurable fields - Site Location, Treasury Account Symbol (TAS), Document Number, or Remitter.

7. A debit will be processed to the check writer's account and the CA\$HLINK entry created on behalf of VA. The SF 215 (Deposit Report) and an SF 5515 (Debit Report for return items(s)), if needed, is available for downloading via ELVIS the next business morning following the batch transmission.

8. The PCC OTC application is available for queries and batch processing through ELVIS 24 hours a day, 7 days a week with the exception of a consistent maintenance window occurring every Sunday morning from 2 a.m. to 6 a.m. ET. If the application has a planned period of downtime, such as hardware or software upgrades, advance notice will be provided to PCC OTC customers via e-mail with the timeframe of the planned downtime. Should the PCC OTC application experience any unplanned outages (on rare occasions), an e-mail will be sent to the same distribution list to advise them of the outage and the expected time of resolution.

#### **F. PCC OTC Daily Reports.**

1. Two reports are available in PCC OTC each business day. They can be requested from the ELVIS Website. These reports include:

a. The SF 215 Deposit Ticket Report contains all items being deposited into CA\$HLINK II on that day. The SF 215 report contains the deposit ticket number and the number of transactions, dollar amount, transaction date, agent cashier's ID and location that add up to a single deposit for an ALC/DSSN.

b. The SF 5515 report contains the debit voucher number for each item that is retired by Treasury's FMS. The report provides detailed information on the Unique Transaction ID (or IRN number) for easy research on ELVIS.

## APPENDIX M: LOSSES AND OVERAGES

### LOSSES AND OVERAGES IN CASHIER ACCOUNTS

A. In the event of loss or theft of disbursing funds or other official funds, report all facts within 24 hours by phone or e-mail to the FSC's Agent Cashier Accountability Activity. If the loss is reported by phone, send a follow-up e-mail detailing the facts.

1. The FSC staff maintains records of the losses and completes a monthly irregularity report. The field facility will contact field offices of the U.S. Secret Service, FBI and Inspector General to determine whether the loss needs to be reported for further investigation.

a. If the loss resulted from the acceptance of counterfeit money and the agent cashier is able to determine the source, an appropriate credit adjustment will be made for the collection item.

b. If a depository detects a counterfeit bill in a station's deposits, it will send the station an SF 5515 showing the amount of the counterfeit. The station will make the necessary adjustment and carry the shortage in the control accounts pending resolution.

2. All losses that occur relating to a Veteran's Personal Funds of Patients (PFOP) account will be reported to:

Department of Veterans Affairs  
VHA Office of Financial Management (173)  
810 Vermont Ave, NW  
Washington, DC 20420

B. Current procedures for addressing shortages in agent cashier funds are in accordance with GAO Principles of Federal Appropriations Law, Volume II, Chapter 9, *Liability and Relief of Accountable Officers*.

C. When a shortage occurs in the account of a Principal Agent Cashier, an Alternate Agent Cashier, subcashier or a PFOP clerk, the facility director will make a determination as to the fault or negligence of the accountable or responsible employee.

1. Recovery from an improper payee or recipient will first be attempted in accordance with the Federal Claims Collection Act (31 C.F.R. Parts 901-905), VA Regulation 38 C.F.R. 1.900–1.954 and VA's financial policies and procedures contained in Volume XII, *Debt Management*.

2. The recipient of an improper payment is liable for the full amount. Any amounts collected will be applied to reduce the accountable officer's liability. The accountable officer remains liable for any remaining balance.

a. Under the Federal Claims Collections Act (31 U.S.C. 3711(c)), if a debt claim is compromised in accordance with the statute and implementing regulations, no accountable official will be held liable for the portion unrecovered by virtue of the compromise. A compromise with the recipient for payment of less than the full amount due operates to relieve the accountable officer for any amounts unrecovered because of the compromise.

b. Unlike compromise, the termination of collection action against the recipient does not eliminate the accountable officer's liability for any unrecovered balance.

3. Where a loss cannot be recovered from the improper payee after the collection process, including submission to the Treasury Offset Program (TOP), and relief is not granted to the accountable officer, the accountable officer becomes indebted to the Government for the amount owed.

4. At that point, VA will initiate collection action against the accountable officer.

a. Upon repayment of the debt in full by the accountable officer, any amount collected from the improper payee or other sources will be deposited to the proper account and refunded to the accountable officer.

b. The SF-1047, *Public Voucher for Refunds*, will be used to authorize the refund of the amount. The form will be signed by the facility director or designee, to evidence approval. These vouchers will not be paid by the Agent Cashier.

D. The facility director has the delegated authority to adjudicate cases involving losses of less than \$200.

1. When the loss is equal to or greater than \$200 and it is determined the accountable or responsible employee was (1) without fault or negligence; and (2) such loss or deficiency occurred while such accountable or responsible employee was acting in the discharge of official duties, or the loss or deficiency occurred by reason of the act or omission of a subordinate of such employee, the Director will recommend personal relief under provisions of Title 31, U.S. Code, Section 3527. The request for relief, accompanied by copies of all the investigative reports and employee statements, will be submitted to the FSC.

2. Requests for relief for losses equal to or greater than \$200 in the PFOP account will be forwarded to VACO, along with the appropriate documentation, addressed as follows:

Department of Veterans Affairs  
VHA Office of Financial Management (173)  
810 Vermont Avenue, NW  
Washington, D.C. 20420

E. The FSC Director has the delegated authority to rule on requests for relief of amounts between \$199 and \$3,000.

1. All relief requests for amounts equal to or greater than \$3,000 will be reported to the Deputy Assistant Secretary for Finance (DAS), along with complete documentation, for referral to the U.S. Government Accountability Office (GAO). The DAS for Finance has the authority to determine whether a request for relief will be forwarded to GAO.

2. Stations will be notified when relief has been granted and advised of the procedures necessary to adjust accounts. Documentation related to relief requests will be retained at the facility and a copy sent to VACO's Cash and Debt Management Division.

3. Until notified that relief has been granted or restitution has been made, a shortage in the agent cashier's advance will be identified separately as a "Loss" in the "Status of Fund" portion of the OF 1129. Losses other than in the advance will be carried in the control accounts until resolved.

F. Any overages, such as those due to bank errors in the accounts of the agent cashier, will be deposited in the General Fund Receipt Account 36\_1060, *Forfeitures of Unclaimed Money and Property*. This deposit will be accomplished by preparing an SF 215. Overages due to EFT processing errors will be resolved in the following manner:

1. The agent cashier with legal accountability will notify his or her Finance Activity of the error.

2. The Finance Activity will issue a Bill of Collection (BOC) to the agent cashier with the overage, while reissuing the corrected replenishment to the proper Agent Cashier Accounting Activity.

3. The agent cashier receiving the BOC will prepare a check payable to VA in the amount of the overage and provide it to the station issuing the BOC.

4. The agent cashier with legal accountability will deposit the check in the designated depository or FRB using an SF 215.

5. The Finance Activity issuing the BOC will process the transactions to properly offset the BOC and record the deposit.

## APPENDIX N: UNANNOUNCED AUDITS

### UNANNOUNCED AUDITS OR SPOT CHECKS

A. The facility director, or designee, will ensure that an unannounced audit of the Agent Cashier's advance and undeposited collections is conducted at least quarterly, and for cashless Agent Cashier Activities, twice a year. However, additional audits may be prescribed as considered necessary. Care will be exercised to vary the scheduling dates and times of unannounced audits, in order to prevent the establishment of a pattern of regularity, which would nullify the element of surprise.

1. If the agent cashier has advanced funds to others, such as informal cash advances, the audit will include the accounts of these authorized employees. The audit will be performed by at least two station employees, skilled in fiscal or audit techniques who do not perform agent cashier functions. One of the employees, if possible, will be an employee outside of the Finance Activity, if possessing these qualifications.

2. 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 facility director.

B. To facilitate the audit, all activities in the Agent Cashier's Section are suspended temporarily. 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. In verifying the Agent Cashier's cash balance, all collections received but not deposited will be considered in the balance. The audit will include 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 under review on a worksheet and will retain control over all items secured during verification of the cash. All unused field service receipts and counter receipts will be verified to ensure continuity of numbers. The last number for each type of receipt received by the Finance Activity will be determined. The auditors will verify continuity of receipt numbers between those received by the Finance Activity and those unused on hand. Irregularities involving accountable receipts will be shown in the audit report and acted upon by the Chief of the Finance Activity, 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.

D. In recording the cash count on the worksheet, separate totals will be developed for disbursement of cash and collection of 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, if any, will be examined for validity and will be recorded separately from memorandum receipts for advances to Alternate Agent Cashiers, subcashiers and any other authorized VA employee(s). These items will be examined and the advance verified by physical count. All accountable items in possession of any authorized employee(s) 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 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 which cannot be deposited the same 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.
  4. Mail in original unopened envelopes that contain collections will be omitted from the audit of collections.
  5. The last agent cashier 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.
  6. In-transit items will be completely verified by reviewing a Voucher and Schedule of Payments, SF 1166 or SF 1167, relating to the in-transit vouchers submitted and the applicable deposit tickets. In those cases where in-transit items are outstanding longer than the normal time required to obtain replenishment, the auditors will call the matter to the attention of the Chief of the Finance Activity, who will verify the validity of in-transit items by comparing EFT replenishment deposits received by the Agent Cashier Accounting Activity against the in-transit items.
  7. The worksheet will be dated and signed by the auditors and filed in the Agent Cashier Accounting Activity. Before the start of the next audit, the auditors will obtain the worksheet and verify the collections have been properly receipted.
  8. Any irregularities disclosed by the auditors will be reported to the facility director.
- E. As part of the unannounced audit, the last 3 consecutive months of cash disbursements will be reviewed. The results will determine whether the level of the cashier advance maintained is appropriate, based upon actual cash needs. The Agent cashier advance account is limited to the minimum amount of cash required to meet only the needs of the Veteran population serviced by the facility.

1. Monthly cash disbursements are determined by reviewing the OF 1129, the associated SF 215 prepared during the same period and replenishment of accommodation exchange items.
2. After computing a month's cash disbursements, the propriety of the current cashier advance level will be determined based upon the criteria outlined below.
  - a. The formula begins with a station's initial advance and requires 6 months of replenishment data. The cashier's advance is based on a 3 week need and the monthly usage target is 130 percent for VHA and 100 percent for VBA. Following are examples.

(1) An increasable condition:

Station	Adv.	Nov	Dec	Jan	Feb	Mar	Apr	Total	Avg
xxx	20,000	49,043	46,872	41,264	42,382	50,522	37,427	267,510	44,585
Usage 223%									

Note: 6-month average  $\$44,585 \div 1.3$  (130 percent) =  $\$34,296$ . Current advance of  $\$20,000$  is  $\$14,296$  less than adjusted average usage; the increasable amount will be rounded to  $\$14,300$ . Adjusted factor will be 131%.

(2) A decreasable condition:

Station	Adv.	Nov	Dec	Jan	Feb	Mar	Apr	Total	Avg
xxx	55,000	52,312	54,144	46,973	52,704	56,882	53,020	316,035	52,673
Usage 96%									

Note: 6-month average  $\$52,673 \div 1.3$  (130 percent) =  $\$40,518$ . Current advance of  $\$55,000$  is greater than the adjusted average usage; the decreasable amount will be rounded to  $\$14,500$ . Adjusted factor will be 130%.

Rating factors: 130 percent or more (green); 129-0 percent (red).

Note: With the exception of regional offices, which are required to maintain a 100 percent turnover rate, Agent Cashiers will take the appropriate action to increase or reduce their advance when the above analysis indicates funds are insufficient or excessive.

F. All irregularities will be reported as described in this chapter. However, all losses, shortages and thefts, regardless of amounts, which are replenished by the Agent Cashier, will be reported promptly to the FSC, which will also receive a signed copy of

the unannounced audit report, annotated to show the shortage has been acknowledged by the Agent Cashier, with recoupment to be made by the replenishing cashier.

G. When conducting an unannounced audit on a cashless Agent Cashier Activity, auditors will review all accountable documents, such as Field Service Receipts, Shipment of Valuables, SF 215's, convenience checks, if any, and any other form of authorized remittance used by that facility. Auditors will also observe procedural practices, such as safeguarding valuables, making deposits and issuing disbursements, during these audits.