

4 FAH-2 H-130 DEFINITIONS

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4 FAH-2 H-131 GLOSSARY OF TERMS

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This section prescribes certain terms that are commonly used throughout this document. All of these terms are found in one of the following sources.

(1) A Glossary of Terms used in the Federal Budget Process, Third Edition, dated March 1981;

(2) Department of State Disbursing Officer Handbook; and

(3) Volume 1, Part 4 Treasury Financial Manual.

Accommodation Exchange—The exchange of U.S. dollars for local currency.

Accountability, Official—A Class B Cashier's accountability maintained by the USDO.

Accountability, Unofficial—A Class B Cashier's accountability maintained at post.

Accountable Officer—A Government official who, on behalf of the United States, receives and maintains public funds, certifies vouchers, or maintains and draws checks upon accounts of the United States.

Accountability Statements or Statements of Accountability—USDOs prepare and submit statements of accountability to the Department of Treasury monthly (Form SF-1218, Statement of Accountability (Foreign Service Account)), which determine the accountability of disbursing officer's FSA account.

Accounting Month—The month and year the accounting reports are submitted.

ACS (Automated Cashier System)—DOS-based automated system for inputting cashier transactions and tracking cashier accountability.

Management Officer—An officer responsible for the administration of the post.

Adjustment—A method to change element(s) of information by reversing the incorrect data and replacing it with the correct data. Two entries are required (debit and credit).

Advance—Funds, in the form of checks or cash, entrusted to a Class B Cashier. Funds given by the Class B Cashier to a subcashier, alternate, or occasional money holder.

Agency Location Code (ALC)—The four-digit Treasury symbol used to identify reports and documents prepared by or for an accounting station or financial office of the Department.

Alternate Cashier—A substitute cashier for a Class A or Class B Cashier.

Automated Clearing House (ACH)—A nationwide mechanism that processes electronically originated debit and credit transfers for any participating institutions nationwide. This electronic payment delivery system is most often used to process low-dollar, repetitive retail payments and pre-authorized recurring payments such as payroll, corporate payments to vendors, Social Security payments, insurance premium payments and utility payments. The ACH is an alternative to paper checks and handles billions of payments annually.

Available Check—A check that has not been paid by Treasury and is in the possession of the USDO or certifying officer.

BCA (Budget Clearing Account)—“Clearing Accounts” were established by Treasury and assigned to each agency and disbursing office to record aged summary deposit, and other receipt of funds temporarily, until proper disposition of funds can be determined. There are 2 commonly used DOS suspense accounts. They are:

19 F 3875—Treasury’s adjustment of USDO deposits

19 F 3880—Check Issuance Discrepancies and check cancellation

Cancellation—The process of rendering a check non-negotiable after it has been issued and repaying the amount of the check (whether available or unavailable) to an appropriation or fund account.

Cash Inventory—The total of all cash on hand and items held by a U.S. Disbursing Officer in lieu of actual cash (checks, money orders, other negotiable instruments), receipts for unvouchered cash payments, for operating cash advances, and other documents necessary for the verification of a U.S. Disbursing Officer’s cash accountability.

Cash-Link—An electronic cash concentration system used to manage the collection of government funds and to report balances to Federal agencies. Cash-Link ties the USDO, commercial banks, Federal Reserve Banks, and the Treasury Department together through an electronic

network. Cash-Link provides agencies with financial information to verify bank deposits, ACH transfers, as well as information to reconcile their accounts. This system allows users to obtain deposit information in two ways: (1) it provides daily reports of agency deposits that are sent to the Banking Operations Branch in FMS; and (2) agencies can view deposit amounts that have been posted to their ALC.

Cashier Monitor—An employee who works for the USDO and assists the cashier. Cashier monitors provide answers to cashiering questions and are located at the Financial Service Center.

Cashier Out-Of-Balance Condition—A difference reported on the monthly Form DS-3058, Cashier's Reconciliation Statement.

Certifying Officer—An officer who attests to the accuracy and legality of vouchers prior to payment. The certifying officer is an accountable officer.

Check Symbols—The symbol numbers inscribed on checks, which are the checking account symbol numbers under which USDO's issue checks.

Chief Disbursing Officer (CDO)—Treasury official who directs disbursing operations performed by Department of the Treasury regional disbursing offices located throughout the United States.

Claimability—The length of time a payee can present a claim of nonreceipt or theft of a United States Government check.

Class A Cashier—An employee designated as cashier for an agency other than the Department of State. A Class A cashier may not advance funds to a subcashier, but may make an advance to an alternate Class A cashier.

Class B Cashier—An employee designated as cashier for the Department of State. A Class B cashier may advance funds to a subcashier and/or an alternate cashier.

CODEL—Congressional delegation. Visit to post by a group of Congressmen.

Collections, Official—Amounts received for credit to appropriation accounts or to general fund receipt accounts or to suspense accounts. Collections may be made for official purposes only.

Cooperative Service Agreement—(1) A binding agreement between the appropriate representatives of the United States and the cooperating country to carry out agreed-upon activities in a particular field or fields in the aid program of that country and within the management authority of the cooperative service joint entity. The agreement ordinarily specifies that the cooperative service is an agency of the cooperating country government or a ministry of the government. (2) Agreements for funding the operations of the cooperative service are called “Cooperative Service Contributions Agreement.”

Currency Use Payments (CUP)—Agreements under the Agriculture Trade Development and Assistance Act of 1954 (Pub. L. 83-480), which require the payment for surplus agricultural commodities in U.S. dollars. Where U.S. dollars are being used to purchase foreign exchange commercially, a currency use payment (CUP) provision must be inserted in the agreement, whereby a percentage of the dollar amount of the agreement can be paid in the currency of the country. Request for CUP should be made only after all other U.S. owned currencies have been exhausted, including foreign currency deposited in bank accounts other than the USDO operating account.

DATEL—Disbursements and Accounting by Telecommunications. A computer generated telegram used for transmitting financial transactions to FSC Paris.

Debit Card (ATM Card)—A card that authorizes a debit to a customer’s banking account. The machine-readable plastic cards allow electronic withdrawals to be transferred from a cardholder’s checking or savings account to the agency’s banking account.

Debit Voucher (DV, Form SF-5515 D)—A document prepared and used to reduce a deposit or charge an agency. Notification from the USDO that a check processed by the cashier is uncollectible.

Deposit-In-Transit (DIT)—An automated method used to compare the total net deposits made by an agency with the transaction data received daily by FMS through the banking system.

Deposit Tickets (DT, Form SF-215)—Used to record all deposits. The deposit ticket contained a unique preprinted six-digit number which is the only number used by the Treasury to record the deposit. These prepositioned numbers should not be altered and must be entered exactly as printed.

Deposit Tickets/Debit Voucher Support List (DT/DV Support List)—A monthly computerized listing of each individual agency’s deposit tickets and debit vouchers reported to Treasury’s general account by the depository.

Depository—A Federal Reserve Bank or branch, foreign and commercial bank in the banking system authorized by Treasury to receive deposits and issue and draw payments.

Designation—The official document authorizing the cashier to handle official money including the authorized maximum amount and other requirements or limitations.

Disbursement—A payment in currency, check, or electronic funds transfer.

Disallowance—A General Accounting Office exception in the accounts of a U.S. Disbursing Officer when it is included as a difference in a certificate of settlement by reason of not having been removed or cleared by acceptable explanation or refund at the time the settlement is stated.

Electronic Funds Transfer (EFT)—Any transfer of funds initiated through a terminal, telephone, computer or magnetic tape for the purpose of instructing or authorizing a financial institution to debit or credit an account.

Explained Out-Of-Balance Condition—When the difference is identified in writing on Form DS-3058 (ACS Discrepancies Justifications) as data entry or other error related to a specific transaction that is being corrected (i.e. collection entered as \$5 and actual collection document was \$500 or a debit voucher is reported outstanding at the FSC and is not listed on Form DS-3058, or vice versa).

Fed ACH—The Federal Reserve's centralized application software used to process ACH payments.

Federal Reserve Bank (FRB)—The bank that controls all monies that the United States commercial banks deposit to the Treasury General Account.

Fedline—A software product offered by the Federal Reserve System for electronic connection to the Federal Reserve. It is used to transmit ACH items via telephone lines interfacing with a personal computer.

Financial Institution (FI)—For DIT purposes, any bank, credit union, association, or other institution that is insured by Federal, state or a state agency and is designated as a depository or financial agency of the Federal Government.

Financial Management Center (FMC)—A FMC provides financial management support to serviced posts including budgeting, accounting, vouchering and cashiering support.

Financial Management Officer (FMO)—The FMO is the principal officer at post responsible for carrying out the Department of State's financial management objectives.

Financial Service Center (FSC)—A FSC provides financial services which includes accounting, disbursing operations, payroll for locally employed staff (LES), and automated data processing (ADP) support as required.

Fiscal Irregularity—Shortage or overage of public funds, illegal disbursements resulting from improper practices, improper accounting for imprest funds, unexplained loss involving USG funds.

Foreign Affairs Handbook (FAH)—The FAH is an extension of the Foreign Affairs Manual (FAM). It supplements the FAM by providing implementing guidelines and procedures for policies and regulations contained in the respective FAMs.

Foreign Affairs Manual (FAM)—FAMs contain Department of State regulations based on law or Presidential Executive Order for the conduct of U.S. foreign relations. FAMs most used in a Financial Management Office are 4 FAM (Financial Management), and certain sections of 3 FAM (Personnel) and 6 FAM (Travel and Transportation section).

Foreign Currency Account—An account prescribed by the U.S. Treasury for the purpose of recording transactions in foreign currency without U.S. dollar equivalent. These funds can be expended with or without charge to U.S. dollar appropriations.

Foreign Service Accountability Account (FSA)—Official funds, excluding funds in foreign currency accounts and local currency deposits, which are made available to U.S. Disbursing Officers for disbursing and collecting operations.

Fraudulent Check—A check that has the information changed on the front of the check or is endorsed on the back by other than the payee.

Frozen/Blocked Account—Accounts to which the USDO no longer has access—usually as a result of bank failure or internal political instability within the country.

Funds—Funds may consist of cash, uncashed government checks, paid invoices and other receipts for cash, paid vouchers and undeposited checks.

GSO—General Services Officer, the officer at post who manages logistical operations and has the authority to procure items and sign contracts.

Holding Accounts—These are temporary accounts, set up to hold collections until the right account for the collection is arranged. As soon as a sales or program account has been determined, Treasury will issue the USDO an authorization to transfer the currencies from the holding account to a specific account (see also TFM, 2-3250.101).

Imprest Fund—Another term for a Class B Cashier's advance.

Inter-Bank Transfer—Transfer of monies by telex.

Internal Controls—Any form, policy, procedure, personnel assignment, or practice designed to reasonably assure that resources are not diverted from the purpose for which they were intended. The purpose of internal controls is established by Department regulation, or by you or your supervisors as the on-sight managers. This is also known as management controls.

Invoice—Vendor's bill for goods delivered or services provided.

Mutilated Check—A check from which payee portions are missing. Such checks are treated as "unavailable" for cancellation purposes.

Negotiable Instrument—A check or other document which can be used as money.

Notification of Change—A method used by a receiving financial institution to notify the FSC to correct or change account information in a payment entry the FSC has processed through the ACH. These structured messages contain identifying data from the original payment and use standard change reason codes to identify errors.

Occasional Money Holder—Someone who is required to handle funds for a specific purpose for no more than 24 hours.

On-Hand—Cash, uncashed government checks, paid invoices and other receipts for cash, paid vouchers and undeposited checks in the custody of the cashier.

On-Line Payment and Collection (OPAC) System—An automated intergovernmental system used to electronically bill and/or pay for services and supplies.

ORE—Official residence expense is an allowance designed to defray the unusual extra expenses of maintaining a suitable representational residence in a foreign country. Generally, this allowance is only available to the ambassador, DCM and principal officer at a consulate.

OSCARS—Overseas Cashiering Reporting System—A cashier data base used to track cashier designations and advance information. It also provides a tool for monitoring the cashier reconciliation reports.

Payments, Claims & Enhanced Reconciliation (PACER)—A Treasury on-line system providing payment status information and digitized images of Treasury checks, with the capability for agencies to request claims on line.

Personal Liability—The cashier must pay back any funds which are lost, misplaced or simply disappear. Similar terms are personally accountable or personally liable.

Rates:

Fixed Rate—The exchange rate used when rates are controlled (set) by the local country and all foreign exchange transactions must be transacted at the established rate.

Floating Exchange Rates—The exchange rate used when financial institutions legally quote competitive prices and the U.S. Government can purchase the currency at the best price offered.

Prevailing Rate—The rate that would be available to the government for the acquisition, in the local exchange market, of foreign exchange for its official disbursements.

Rate More Favorable Than The Best Legal Rate—This rate, if available, is offered as a result of some type of parallel government to government agreement, such as the Defense Department's Status of Forces Agreement.

Official Rate—The rate established or recognized by the government of a country for certain or all types of exchange transactions.

Special (Treasury) Rate—The quarterly exchange rate prescribed by the U.S. Treasury pursuant to Section 613 of Pub. L. 87-195 for use at the Washington level by all U.S. Government agencies when reporting foreign currency balances and transactions to the Treasury.

Reclamation—A procedure to recover benefit payments from a financial institution which were paid to that financial institution on behalf of a deceased or legally incapacitated individual.

Reconciliation—The process of comparing the cashier's unofficial accountability with the official accountability report from the USDO.

Reimbursed Funds—Funds reimbursed by other agencies which are apportioned and allotted in the same manner as appropriated funds.

Reimbursements—Amounts collected or to be collected for commodities, work or services furnished or to be furnished to another appropriation or fund or to an individual, firm, or corporation, which by law may be credited directly to an appropriation or fund account.

Replenishment—The method of replacing money used for making payments.

Restitution—Compensation for loss, such as cash paid back for an uncollectible check.

Restricted Currencies—These currencies are restricted by terms of international agreements for use in specific programs and may not be used for other purposes without the consent of the foreign governments involved. However, these currencies may be used temporarily to fund other government programs. This temporary use of restricted currency is referred to as “unfunding.”

Reverse Accommodation Exchange—The exchange of local currency for U.S. dollars.

Revocation—The document stating the cashier is no longer authorized to handle official money. When the cashier’s authority is revoked, all advanced funds are transferred to another cashier or returned to the USDO.

Sale Accounts—These are for non-restricted currencies, which can be used for payment of official U.S. obligations in the country concerned. These currencies are available for sale to a Foreign Service Accountability (FAS) account.

Serviced Agency—Agency authorized to receive accounting and disbursing services from State.

Society for Worldwide InterBank Financial Telecommunication (SWIFT)—A worldwide telecommunications system used by participating banks for sending instructions and transacting business.

Spoiled Check—An original, serially numbered check mutilated or spoiled in preparation or incorrectly prepared.

Standardized Regulations (STR)—The Standardized Regulations describe the allowances available to U.S. civilian employees of the U.S.G. serving abroad, the conditions under which allowances may be granted, the rates of payment, and the methods used to calculate the payments.

Subcashier—An accountable employee who receives an advance from the Class B cashier, designated by the FMO, agency supervisor or the USDO (if the advance is over \$10,000) by a designation letter which states the advance amount, types and limits of transactions which the cashier may perform.

Subvoucher—Numbered receipts for small amounts that are combined into one voucher, usually Form OF-1129, Cashier Reimbursement Voucher and/or Accountability Report.

Suspense Account FSA—An account used to record receipt of funds temporarily until proper disposition of funds can be determined.

Suspension—The withholding of approval of a disbursement or an account pending the removal of an exception.

Sweep Account—An account established to temporarily hold collections made by the bank until the bank transfers the funds to the USDO operating account.

Third Party Check—A check signed by someone other than the employee or a USDO.

Treasury Financial Communications System (TFCS)—A computer-to-computer link between Treasury and the Federal Reserve Bank of New York that can be used for certain payments to the public.

TFS-5901 (Adjustment of Agency Deposit Tickets/Debit Vouchers)—A computer-generated document charging or crediting outstanding differences, over 6 months old, to the agency's Statement of Difference.

TFS-6652 (Statement of Differences – Deposit Transaction)—A form that shows each ALC and the total money amounts reported each month by agency and what has been reported to Treasury's General Account by the depository with an ending balance of the outstanding differences.

TFS-6653 (Undisbursed Appropriation Account Ledger)—The form prepared monthly for all departments and agencies. The appropriation accounts reports are used to ensure that the balances in the Treasury's summary accounts for individual agency appropriation and fund accounts agree with the records maintained by the agencies for those accounts. This report shows for each appropriation and fund account: (1) the agency balance; (2) transactions classified for the month; and (3) the closing balance.

Trace Number—A fifteen-digit number assigned to the ACH item by Fedline. The trace number remains intact throughout the forward and return process. The first eight digits reflect the routing/transit number assigned to the FSC. The last seven digits are assigned in ascending sequence.

Translate—Act of determining U.S. dollar equivalents for foreign currency amounts.

Treasury Check—A check drawn by a U.S. disbursing officer or other authorized disbursing officer on the Treasurer of the United States.

Trust Fund Expenditure Account—A trust fund expenditure account records the amount of LCU funds available in the trust fund for use in carrying out specific purposes or programs. Under very carefully regulated agreements with the country concerned, the Department of the Treasury will permit USDOs to convert local currency units (LCU) stored in trust funds to be converted into U.S. dollars to make a payment that must be paid in U.S. dollars (See 1 TFM 2-1530.55).

Trust Fund Receipt Accounts—Accounts used to credit any receipts generated by the terms of a trust agreement or statute. Depending upon statutory requirements, the funds collected may be available immediately or be unavailable for expenditure (see also 1 TFM 2-1530.20).

Unavailable Check—A check not in the possession of the USDO or certifying officer.

Uncollectible Check—A check which is returned unpaid by the bank on which the funds are drawn. In English slang—a “bounced” check.

Unexplained Out-Of-Balance Condition—Where there is no written explanation for the difference, or if the explanation does not identify the difference directly to a certain transaction (i.e. post says it is researching the difference or that it ‘may’ be a duplicate entry).

Unfunding—If funds in Treasury non-restricted sales accounts have been completely expended, the USDO should, prior to making a commercial purchase, reverse the funding for (i.e. unfund) the foreign currency accounts that are not restricted by specific agreements (such as trust fund monies where interest does not revert to the fund). **Note:** Amounts that have been transferred by the unfunding procedure can at any time be reclaimed by the “unfunded” account if needed for payment of vouchers against the earmarked account.

United States Disbursing Officer—A U.S. citizen officer at a financial service center authorized by the Chief Disbursing Officer of the Treasury to receive, disburse and account for all official funds entrusted to that employee. A Class B cashier is accountable to a USDO.

United States Government Depository—A domestic or foreign bank designated by the Secretary of the Treasury as an official depository to hold U.S. Government funds for the account of the United States.

General Depository—Is authorized to accept deposits for credits in the official checking accounts of other government officers.

Limited Depository—Is authorized to accept up to a specified maximum amount, deposits for credit to official checking accounts of government officers other than the Treasurer of the United States.

United States Use Currencies—United States Use Currencies are usually expended through the U.S. dollar appropriation process to pay U.S. obligations abroad; pay for U.S. technical, scientific, and other programs; and to make sales for dollars to U.S. citizens and non-profit organizations in selected countries.

Value Date of Foreign Currency Purchase—The date upon which the foreign currency proceeds of a commercial purchase are available in the form of cash or are deposited and credited to the USDO's (accountable officer's) operating account at the designated depository.

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