

# **4 FAH-2 H-630 FOREIGN CURRENCY TRANSACTIONS (FSCAS II); X7000 ACCOUNTS**

*(TL:DOH-1; 06-13-2001)*

## **4 FAH-2 H-631 INTRODUCTION**

*(TL:DOH-1; 06-13-2001)*

Foreign currency transaction X7000 funds (previously called FT) are collected and accounted for in foreign currency only and have no dollar value. There is no reported loss or gain in value of those funds. These funds previously were reported separately from funds bearing a U.S. equivalency, on Form FS-488 (Foreign Currency Statement of Transactions). X7000 Funds are now accounted for through special reporting on Form SF-1218 (Statement of Accountability (Foreign Service Account) and Form SF-1221 (Statement of Transactions), and agencies must keep records of their account balances.

### **4 FAH-2 H-631.1 Sales Accounts**

*(TL:DOH-1; 06-13-2001)*

Prior to conversion to X7000, there were huge amounts of foreign currency being held in the 'FT' accounts, normally more than the U.S. disbursing officer (USDO) could use for short term (5-7 days) operating expenses. Instead of buying currency on the open-market to fund foreign currency bank accounts, the USDO would 'buy' the funds from the FT accounts for operating expenses. This procedure was known as 'selling' FT funds to the FSA (Foreign Service Accountability). The FSA is denominated in U.S. dollars and U.S. equivalent; gains and losses against the U.S. dollar are traced and become part of the accountability balance. Funds bearing a U.S. equivalency are reported on Forms SF-1218 and SF-1221. This sale of FT accounts now no longer exists, because large collections are sold for dollars prior to collecting, or are collected directly into FSA dollar denominated accounts.

### **4 FAH-2 H-631.2 Fully Unfunded Accounts**

*(TL:DOH-1; 06-13-2001)*

There are still accounts with large amounts of funds that do not have dollar denominated appropriations into which they can be collected, so they must be accounted for in foreign currency only. The USDO uses these funds for operating expenses by 'borrowing' the funds. These accounts are referred to as fully unfunded, and are discussed in detail in 4 FAH-2 H-632.

## **4 FAH-2 H-631.3 Fully Funded Accounts**

*(TL:DOH-1; 06-13-2001)*

There are other funds in accounts that are restricted for use by the USDO, due to agreements with local host country governments. These accounts are referred to as fully funded accounts. Because of the new X7000 procedures, these funds must be kept in separate bank accounts. Payments and deposits for these accounts are all processed offline, although appropriation transfer vouchers are processed in the system to record the increases and decreases to the X7000 accounts. The interest earnings on these accounts are available for program expenses rather than reverting to a Treasury miscellaneous interest receipt account.

## **4 FAH-2 H-632 PROCESSING NEW TRANSACTIONS AGAINST X7000 ACCOUNTS**

*(TL:DOH-1; 06-13-2001)*

a. Until program changes are made to automate entry of the required controlling transactions, all X7000 transactions will be entered by the USDO, and not the post. Data entry must be correct in both the U.S. dollar (USD) and U.S. equivalent (USE) fields, or the accounts will not balance properly with the Treasury General Ledger. The USDO staff will process all transactions, using the USDO cash codes (100 in the overseas financial management system [OFMS]). Cashiers should not enter any transactions into their post systems. All deposits, collections, and disbursement documents must be sent in hardcopy form (not via electronic certification system [ECS] or data telegram [DATEL]) to the USDO. If a cashier is using the automated cashiering system (ACS) and must enter the deposit into their cashier accountability, the deposit ticket must be sent to the USDO who will then enter the corresponding collection using the cashier's code (rather than cashier code 100). Deposits for the U.S. India Fund may not be collected into the cashier's accountability.

b. When hardcopy documents are received from the posts, enter them according to the procedures below. The certifying officer name must be checked against the official list for disbursements distributed by FMP/F/IFS.

(1) For fully unfunded accounts:

(a) These accounts have balances on the accounting records but the USDO borrows the real cash for their operating expenses. When the agency needs the cash for expenses, the USDO buys the cash needed and makes the disbursement. These transactions are the same as the FT procedures for 'unfunding' and 'reclaiming'. The USDO cashier code should be used for transactions requiring a cashier code. The following transactions are for a sample account (11X7840.456-Morocco Dirham). Exchange rate is about 9 to 1.

(b) For a collection (all transactions must be entered on the same day):

- Cashier Collection to 11X7840.456                      xrate 1 to 1    12,500  
    (increase/credit)
- Neg. collection to 20x7999.456                      xrate 1 to 1    12,500  
    (decrease/debit)
- Appropriation Transfer;  
    Credit (increase) to 20x7999.456                  xrate 1 to 1    12,500
- Appropriation Transfer;  
    Debit (decrease) to 20x7900.456                xrate 1 to 1    12,500
- Deposit to bank (increase bank)                    xrate 1 to 1    12,500
- Collection to 20x6701                                  xrate 9 to 1     1,389  
    (increase appropriation)

**Note:** If a cashier enters the deposit into ACS and processes the voucher into OFMS or the accounting and disbursing system (A&D) using their cashier code (and then sends the collection to the USDO to enter), the USDO will need to enter the collection to the program account under their cashier code also. Cashiers should not enter the deposits into the system until we can automate the transactions.

(c) For a disbursement.

**Note:** If these transactions become automated we can slightly change these procedures so that the post staff can enter the transactions – we will disburse directly from the program account rather than the 20x6701 – like Paris is doing now—see note at end of the disbursement procedures.

(d) Vendor Direct:

- Vendor Invoice (no cashier code)  
    Disbursement from 20x6701                      xrate 9 to 1     444  
    (decrease appropriation, reclaim from Treasury)
- Appropriation Transfer;  
    Credit (increase) to 20x7999.456                xrate 1 to 1    4,000
- Appropriation Transfer;  
    Debit (decrease) to 11X7840.456                xrate 1 to 1    4,000
- Appropriation Transfer;  
    Credit (increase) to 20x7900.456                xrate 1 to 1    4,000
- Appropriation Transfer;
- Debit (decrease) to 20x7999.456                xrate 1 to 1    4,000

(e) Cashier Vendor Invoice:

(OFMS cashiers should enter these into ACS, but not into OFMS – until we have an 1166 interface. Paris USDO should determine how ACS DATEL users will process these transactions)

- Cashier Disbursement (use post cashier code)  
    Charge 20x6701 0000 (18)                      xrate 9 to 1     444  
    (decrease appropriation, reclaim from Treasury)

- Process a cashier reimbursement voucher to cashier for the amount of the cashier disbursement(s) entered in number 1 – no fiscal data required
- Appropriation Transfer;
 

Credit (increase) to 20x7900.456	xrate 1 to 1	4,000
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- Appropriation Transfer;
 

Debit (decrease) to 20x7999.456	xrate 1 to 1	4,000
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- Appropriation Transfer;
 

Credit (increase) to 20x7999.456	xrate 1 to 1	4,000
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- Appropriation Transfer;
 

Debit (decrease) to 11x7840.456	xrate 1 to 1	4,000
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**Note:** When a payment is issued in Paris, two steps are processed. The check is issued and recorded with the correct dollar equivalent. The X 7810 XXX appropriation (for example) is charged with the correct appropriation.

To meet the X7000 requirement a journal voucher is prepared by disbursing to process the following steps.

- Reversal of the charge processed with the correct dollar equivalent.
- Disburse X7810 XXX with 1 to 1 USE.
- Credit X799 XXX with 1 to 1 USE.
- Disburse 20X7999 XXX with 1 to 1 USE.
- Credit 20 X7900 XXX with 1 to 1 USE.
- Disburse 20 X 6701 with the correct dollar equivalent.

As a result the charge to 20X6701 will be recorded with the correct dollar equivalent and will match the dollar equivalent charged at the USDO accountability when the check is issued.

(2) For fully funded accounts:

(a) These accounts have cash in a separate bank account (other than the USDO account). This bank account balance must always match the amount in the X7999 control account. A standard off-line system (perhaps a COTS package like Quicken or an EXCEL spreadsheet) must be used for processing these fully funded account transactions. Deposit tickets for amounts collected at post, and deposited into the bank, will be sent to the USDO for entry into their COTS system. Checks will be manually written and signed by the USDO. The FSC staff will reconcile bank statements. Currently the only X7000 accounts in the world that are fully funded are for the U.S. India Fund.

(b) To account for these transactions, and have a valid balance in the X7000 accounts, a journal voucher (JV) will be processed in OFMS for each transaction. Using an example for the U.S. India Fund:

(i) For a collection (all transactions must be entered on the same day):

Appropriation Transfer

- Credit (increase) to 75X7565.428                      xrate 1 to 1    8,000
- Debit (decrease) to 20X7999.428                    xrate 1 to 1    8,000

(ii) For a disbursement (all transactions must be entered on the same day):

Appropriation Transfer

- Credit (increase) to 209X7999.428                      xrate 1 to 1    3,000
- Debit (decrease) to 75X7565.428                      xrate 1 to 1    3,000

## **4 FAH-2 H-633 REPORTING REQUIREMENTS**

*(TL: DOH-1; 06-13-2001)*

a. Prior to Month-End

(1) Two days before month-end, the USDO should review all Form SF-1221s processed using X7000 account symbols. List all disbursement and collection transactions in a spreadsheet (both the USE and local currency amount columns). Do not include transactions against 20x6701. Transaction amounts in both columns should be the same, and should reflect the USE amounts.

(2) Total both columns. The totals should net to zero (both columns). If they do not, or if there are different amounts in the USE and local currency columns, a mistake has been made. Correct the errors and make sure they are processed prior to month-end. (This extraction of data will be automated and a new report produced when the requested program changes are completed.)

(3) It is absolutely required that these transactions net out to zero on Form SF-1218. If Form SF-1218 tape sent to Treasury results in an out-of-balance condition of \$50 million or more, the entire tape will be rejected for the month. This is possible with only one error, since the amounts are reported in local currency and not dollars.

b. After Month-End

(1) Send Form SF-1221s to the agencies following the normal procedure. The posts will not receive any other reports from the USDO or Treasury. Ensure that the correct agency bureau address is being used.

(2) Treasury normally sends the TFS-6653 to the agencies (according to the appropriation) after Form SF-1221s are processed through their system. For X7000 accounts, the TFS-6653 will be sent to Treasury, International Funds Branch, instead of to the agencies. That office is responsible for ensuring the transactions are correct, and for making adjustments to the suspense accounts if necessary.

(3) Normally, the posts would be informed of the transactions via the FSC-80 report. If the FSC uses its own post code for the voucher numbers on the transactions they enter, then the 80s will not go to the posts, but back to the FSC. Whether the posts need to know about these transactions is still being resolved. If the USDO encounters a problem with this, consult with the FSC accounting office, or FMP/F/IFS for advice.

(4) When program modifications are completed, a new report, similar to Form FS-488, Statement of Transactions And Accounts Current, will be available to the USDO. Although the USDO no longer needs this information when buying currency, since they now borrows ALL 'Unfunded' X7000 funds for operating expenses, it is anticipated that the USDO will still be questioned about balances and transactions when problems arise with the agencies.

(5) A complete list of all X70000 account symbols can be found in 4 FAH-2 H-633 Exhibit H-633.

## **4 FAH-2 H-634 THROUGH H-639 UNASSIGNED**

# 4 FAM 2 H-633 Exhibit H-633

## X7000 ACCOUNT SYMBOL CROSSWALK FROM FT ACCOUNTS

(TL:DOH-1; 06-13-2001)

New X7000 Account Symbols to replace FT accounts

FT Acct	USDO	Currency, Country and Currency Code	Program Acct	Control Acct	900 Acct
11 FT 840	Bangkok, Thailand	Baht, Thailand, 316	11X7840.316	20X7999.316	20X7900.316
11 FT 840	Bangkok, Thailand	Rupee, Nepal, 460	11X7840.460	20X7999.460	20X7900.460
12 FT 565	Bangkok, Thailand	Rupee, India, 428	11X7840.428	20X7999.428	
12 FT 787	Bangkok, Thailand	Rupee, Sri Lanka, 412	12X7787.412	20X7999.412	20X7900.412
13 FT 565	Bangkok, Thailand	Rupee, India, 428	13X7565.428	20X7999.428	
14 FT 565	Bangkok, Thailand	Rupee, India, 428	14X7565.428	20X7999.428	
19 FT 565	Bangkok, Thailand	Rupee, India, 428	19X7565.428	20X7999.428	
33 FT 565	Bangkok, Thailand	Rupee, India, 428	33X7565.428	20X7999.428	
49 FT 565	Bangkok, Thailand	Rupee, India, 428	49X7565.428	20X7999.428	
67 FT 565	Bangkok, Thailand	Rupee, India, 428	19X7562.428	20X7999.428	
68 FT 565	Bangkok, Thailand	Rupee, India, 428	68X7565.428	20X7999.428	
75 FT 565	Bangkok, Thailand	Rupee, India, 428	75X7565.428	20X7999.428	
89 FT 565	Bangkok, Thailand	Rupee, India, 428	89X7565.428	20X7999.428	
91 FT 565	Bangkok, Thailand	Rupee, India, 428	91X7565.428	20X7999.428	
97 FT 515	Bangkok, Thailand	Peso, Philippines, 314	97X7515.314	20X7999.314	
97 FT 565	Bangkok, Thailand	Rupee, India, 428	97X7565.428	20X7999.428	
95 FT 860	Bangkok, Thailand	Yen, Japanese, 308	95x7860.308	20X7999.308	20X7900.308
11 FT 840	Charleston, SC	Dollar, Guyana, 107	11X7840.107	20X7999.107	20X7900.107
11 FT 840	Charleston, SC	EC Dollar, St. Lucia, 139	11X7840.139	20X7999.139	20X7900.139
12 FT 787	Charleston, SC	Colon, Costa Rica, 112	12X7787.112	20X7999.112	20X7900.112
12 FT 787	Charleston, SC	Dollar, Jamaica, 127	12X7787.127	20X7999.127	20X7900.127
12 FT 900	Charleston, SC	Peso, Dom Republic, 116	12X7787.116	20X7999.116	20X7900.116
12 FT 787	Charleston, SC	Quetzal, Guatemala, 122	12X7787.122	20X7999.122	20X7900.122
12 FT 787	Charleston, SC	Dollar, Jamaica, 127	12X7787.127	20X7999.127	20X7900.127
12 FT 787	Charleston, SC	Peso, Dom Republic, 116	12X7787.116	20X7999.116	20X7900.116
11 FT 840	RAMC Paris IBM	Birr, Ethopia, 520	11X7840.520	20X7999.520	20X7900.520
11 FT 840	RAMC Paris IBM	CFA Franc, Cameroon,510	11X7840.510	20X7999.510	20X7900.510
11 FT 840	RAMC Paris IBM	CFA Franc, Congo, 521	11X7840.521	20X7999.521	20X7900.521
11 FT 840	RAMC Paris IBM	CFA Franc, Gabon, 523	11X7840.523	20X7999.523	20X7900.523
11 FT 840	RAMC Paris IBM	CFA Franc, Niger, 559	11X7840.559	20X7999.559	20X7900.559
11 FT 840	RAMC Paris IBM	Cedi, Ghana, 524	11X7840.524	20X7999.524	20X7900.524
11 FT 840	RAMC Paris IBM	Dalasy, Gambia, 577	11X7840.577	20X7999.577	20X7900.577
11 FT 840	RAMC Paris IBM	Dinar, Jordan, 440	11X7840.440	20X7999.440	20X7900.440
11 FT 840	RAMC Paris IBM	Dirham, Morocco, 456	11X7840.456	20X7999.456	20X7900.456
11 FT 840	RAMC Paris IBM	Dollar, Zimbabwe, 574	11X7840.574	20X7999.574	20X7900.574
11 FT 840	RAMC Paris IBM	Kwacha, Malawi, 564	11X7840.564	20X7999.564	20X7900.564
11 FT 840	RAMC Paris IBM	New Shilling, Uganda, 582	11X7840.582	20X7999.582	20X7900.582

11 FT 840	RAMC Paris IBM	Rand, South Africa, 584	11X7840.584	20X7999.584	20X7900.584
11 FT 840	RAMC Paris IBM	Sjilling, Kenya, 542	11X7840.542	20X7999.542	20X7900.542
12 FT 787	RAMC Paris IBM	Dinar, Tunisia, 480	12X7787.480	20X7999.480	20X7900.480
12 FT 787	RAMC Paris IBM	Dirham, Morocco, 456	12X7787.456	20X7999.456	20X7900.456
20 FT 460	RAMC Paris IBM	Kwacha, Malawi, 564	20X7460.564	20X7999.564	20X7900.564
72 FT 800	RAMC Paris IBM	CFA Franc, Cameroon, 510	72X7800.510	20X7999.510	20X7900.510
72 FT 800	RAMC Paris IBM	CFA Franc, Niger, 559	72X7800.559	20X7999.559	20X7900.559