

4 FAH-2 H-840

MONTHLY REPORTS TO FMP/F/IFS

(TL:DOH-2; 04-29-2003)
(Office of Origin: A/RPS/DIR)

4 FAH-2 H-841 MONTHLY REPORTS

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

a. All outstanding fiscal irregularities that have been reported on Form SF-1218, Statement of Accountability (Foreign Service Account)), in accordance with the above procedures, and comprise line 5.1 (losses) or line 9.3 (predecessor losses), must be listed as backup to Form SF-1218 each month. This list should include the following information:

- (1) Name of post (or FSC) where irregularity occurred;
- (2) Name of accountable USDO;
- (3) Cashier code of loss;
- (4) IFS Fiscal Irregularity case number;
- (5) Date first reported;
- (6) Date reported to FMP/F/IFS;
- (7) Amount of initial loss, in USE;
- (8) Amount of initial loss, in LCU;
- (9) Balance of loss (this amount should match Form SF-1218 figure);
- (10) Type of loss; and
- (11) Short description of loss with status of current actions for resolution.

b. The USDO must keep a list of all fiscal irregularities that:

- (1) Have not yet been transferred to Form SF-1218 (under 60 days old), including those under \$500; and
- (2) Have not yet been reported to FMP/F/IFS (unexplained out-of-balance conditions).

c. All three reports (Form SF-1218 with backup, the USDO's list of fiscal irregularities under 60 days old that have not yet been transferred to Form SF-1218, and those not yet reported to FMP/F/IFS), must be submitted at the end of each month to the FMP/F/IFS Fiscal Irregularity Staff.

4 FAH-2 H-842 REPAYMENT OF LOSSES

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

a. Losses being held in the cashier accountability.

(1) If relief **IS NOT** granted to the accountable officer, they are asked to replace the funds from personal assets. If the repayment is in cash, no transactions are entered into the system. If the replacement is by check the cashier should cash the check and put the cash in the imprest fund. Both of these procedures will bring the cashier accountability back into balance. No official collection is processed (Form OF-158, General Receipt). The cashier should document the repayment and provide Form SF-1165, Receipt For Cash, (not Form OF-158) to the person making the payment.

(2) If relief **IS** granted, a payment voucher is processed made payable to the cashier charging post funds. No collection document (Form OF-158) is processed. The cashier disbursement voucher brings the cashier accountability back into balance.

b. Losses being held in the USDO accountability.

(1) If the loss was initially a USDO loss, or was transferred from the cashier to the USDO accountability, the following procedures should be followed.

(2) The USDO processes a journal voucher that moves the funds from Form SF-1218 line 7.3 (loss of funds, relief not granted) or 9.3 (predecessor losses) into the USDO cash accountability (Line 6.1 cash on hand). The USDO's cash on hand is increased.

(3) If relief **IS NOT** granted to the accountable officer and is asked to replace the funds from their personal assets, the replacement funds are deposited into the USDO bank. No official collection is made (Form OF-158) but a bank deposit is entered into the system, using the USDO cashier code. If the repayment is in cash or check, a deposit is made into the system using the USDO's cashier code. The deposit decreases the USDOs cash on hand, which was increased when the journal voucher (JV) in number 1 above was processed. The USDO's accountability is now balanced.

(4) If relief **IS** granted, a cashier disbursement is processed charging the post allotment using the cashier code. No collection document (Form OF-158) is processed. A deposit is not made, because there is no check. The USDO's accountability is decreased by the cashier disbursement, which was increased when the JV in number 1 above was processed. The USDO accountability is now in balance.

c. If the loss is not currently being held in the cashier's accountability, or reported on the USDO's Form SF-1218, line 7.3 or 9.3, then the loss was not initially recorded properly. Because there is no current out-of-balance condition either on the cashier or USDO's accounts, a collection (Form OF-158) must be processed in the system to offset the deposit made when repayment was received. The funds should be collected to 19 1060, forfeitures of unclaimed moneys, and appropriate documentation retained in the fiscal irregularity file.

d. An organization chart on fiscal irregularities can be found in 4 FAH-2 Exhibit H-842 (1).

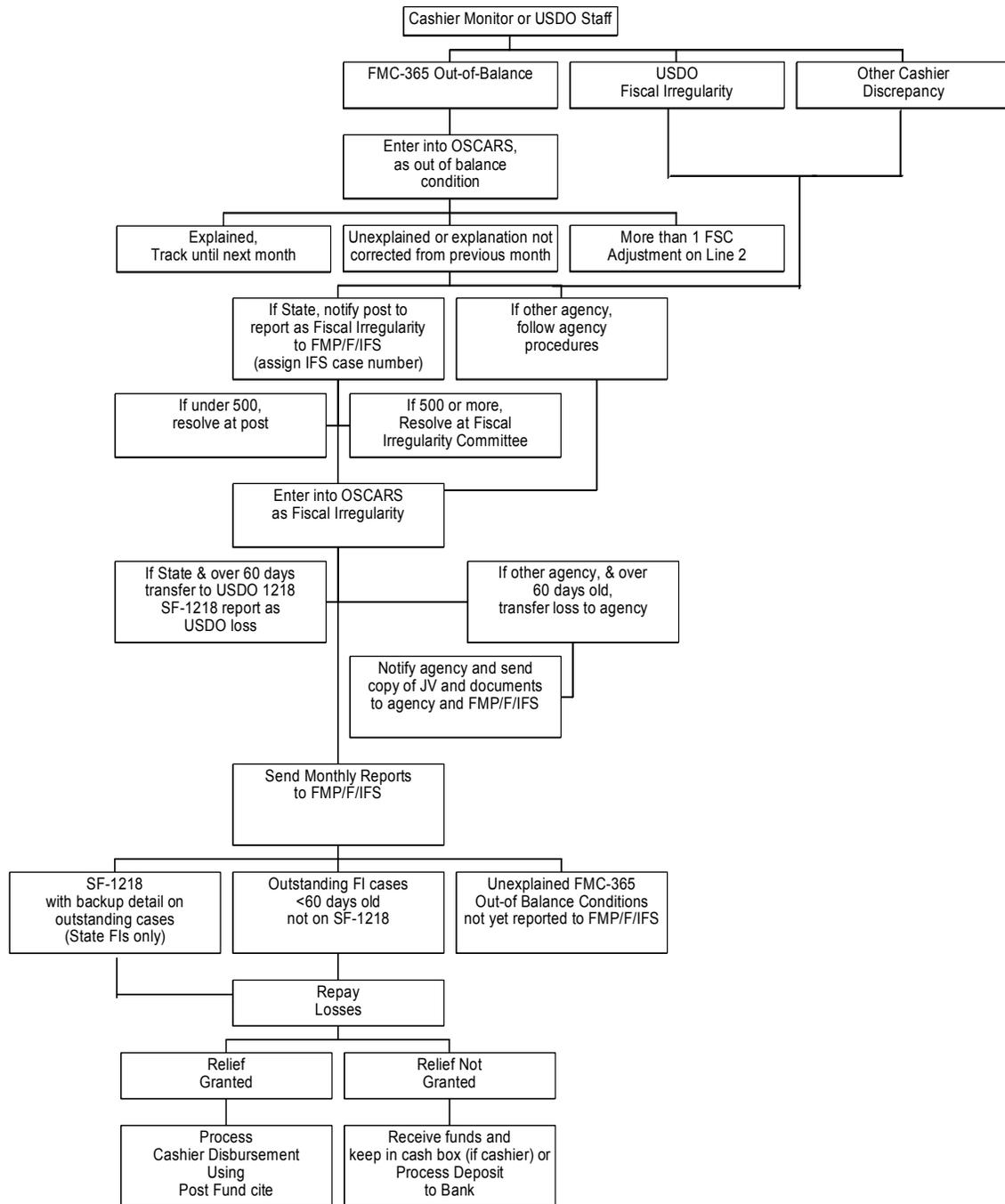
e. A cable outlining the report, resolving, and closing of cashier fiscal irregularities can be found in 4 FAH-2 Exhibit H-842 (2).

4 FAH-2 H-843 THROUGH H-849 UNASSIGNED

4 FAH-2 H-842 Exhibit H-842 (1) PROCESSING CASHIER AND USDO FISCAL IRREGULARITIES

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

Processing Cashier and USDO Fiscal Irregularities



4 FAH-2 H-842 Exhibit H-841 (2) CABLE ON CASHIER FISCAL IRREGULARITIES

(TL:DOH-2; 04-29-2003)

SUBJECT: REPORTING, RESOLVING, AND CLOSING CASHIER FISCAL IRREGULARITIES:
FOR STATE, PEACE CORPS, USAID PASS TO other agencies with Cashier operations

REF: A) 4 FAH-3 H-397.3 B) 3 FAM 4100

1. SUMMARY:

REF A AND B PROVIDE POLICY AND GUIDANCE ON REPORTING FISCAL IRREGULARITIES. HOWEVER, NOT ALL FISCAL IRREGULARITIES ARE BEING REPORTED, TRACKED AND RESOLVED IN ACCORDANCE WITH THESE POLICIES. TO ASSIST FMOS, **MANAGEMENT OFFICERS** AND USDOS, FMP/F/IFS IS PROVIDING FURTHER GUIDANCE IN THIS CABLE TO CLARIFY WHAT IS A FISCAL IRREGULARITY, AND TO WHOM AND WHEN IT SHOULD BE REPORTED. INCLUDED ARE SOME PROCEDURES THAT DIFFER FROM EXISTING POLICY, SO PLEASE READ AND RETAIN THIS CABLE.

2. DEFINITIONS:

A. FISCAL IRREGULARITY:

A TRANSACTION THAT TRIGGERS AN ACCOUNTABLE OFFICER'S LIABILITY SUCH AS A PHYSICAL LOSS OR DEFICIENCY OR AN ILLEGAL OR IMPROPER PAYMENT. A CASHIER OUT-OF-BALANCE CONDITION, AS DEFINED IN NUMBER 2-B BELOW, BECOMES A FISCAL IRREGULARITY WHEN THERE IS AN UNEXPLAINED DIFFERENCE ON THE MONTHLY FORM DS-3058, OR IF AN EXPLAINED DIFFERENCE ON THE MONTHLY FORM DS-3058 REPORT IS NOT CORRECTED ON THE NEXT MONTHLY FORM DS-3058.

CASHIER FISCAL IRREGULARITIES COULD INCLUDE:

- (1) A CASH SHORTAGE OR OVERAGE OF FUNDS, OR
- (2) ILLEGAL DISBURSEMENTS RESULTING FROM FRAUD, FORGERY, ALTERATION OF VOUCHERS, OR
- (3) OTHER IMPROPER PRACTICES.

B. CASHIER OUT-OF-BALANCE CONDITION:

A DIFFERENCE REPORTED ON THE MONTHLY FORM DS-3058 CASHIER RECONCILIATION STATEMENT.

(1) IF THE OPENING BALANCE ON LINE 2 ON THE DS-3058 (BALANCE OF ACDC.13 REPORT FOR OFMS OR FSC/P-364 REPORT FOR PARIS) DOES NOT MATCH THE BALANCE IN THE ACS (OR CASHIER'S FIGURE), OR

(2) IF LINE 14 AND 26, OR 14 AND 28 (ACS) DO NOT MATCH, OR

(3) IF THE CASHIER SUPERVISOR HAS MADE MORE THAN ONE FSC ADJUSTMENT IN ACS TO CORRECT DIFFERENCES ON LINE 2.

C. UNEXPLAINED OUT-OF-BALANCE CONDITION:

WHEN 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).

D. EXPLAINED OUT-OF-BALANCE CONDITION:

WHEN THE DIFFERENCE IS IDENTIFIED IN WRITING ON FORM DS-3058 (ACS DISCREPANCIES AND JUSTIFICATIONS) AS A DATA ENTRY OR OTHER ERROR RELATED TO A SPECIFIC TRANSACTION THAT IS BEING CORRECTED (I.E. COLLECTION ENTERED AS \$5, 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).

3. RECORDING AND TRACKING CASHIER OUT-OF-BALANCE CONDITIONS:

A. WHEN AN UNEXPLAINED OUT-OF-BALANCE CONDITION IS REPORTED ON THE MONTHLY FORM DS-3058 RECONCILIATION, IT MUST BE ENTERED BY THE CASHIER MONITOR AT THE FSC INTO THE OSCARS CASHIER DATABASE PROGRAM. ALL UNEXPLAINED OUT-OF BALANCE CONDITIONS MUST BE REPORTED AS A FISCAL IRREGULARITY IN ACCORDANCE WITH NUMBER 4 BELOW.

B. WHEN AN EXPLAINED OUT-OF-BALANCE IS REPORTED ON THE MONTHLY FORM DS-3058 RECONCILIATION REPORT, THE CASHIER MONITOR AT THE FSC ENTERS IT INTO THE OSCARS CASHIER DATABASE AND TRACKS THIS CONDITION TO MAKE SURE THE CORRECTIONS ARE MADE ON THE FOLLOWING MONTHLY DS-3058. IF THEY ARE NOT, THE CASHIER MONITOR NOTIFIES THE CASHIER'S AMERICAN SUPERVISOR THAT THIS IS NOW CONSIDERED 'UNEXPLAINED' AND MUST BE REPORTED AS A FISCAL IRREGULARITY.

NOTE: AN OVERAGE OF CASH IS ALSO CONSIDERED A FISCAL IRREGULARITY AND MUST BE REPORTED.

4. INITIAL REPORTING OF FISCAL IRREGULARITIES:

WHEN IT HAS BEEN DETERMINED THAT THERE IS A CASHIER FISCAL IRREGULARITY, IT MUST BE REPORTED IN ACCORDANCE WITH THE FOLLOWING PROCEDURES:

(1) FOR A STATE CASHIER, THE FISCAL IRREGULARITY MUST BE REPORTED TO FMP/F/IFS, WITH INFO TO THE USDO, FOLLOWING PROCEDURES IN THIS CABLE, AND 4 FAH-3 H-397.3. FMP/F/IFS SERVES AS THE STAFF LIAISON TO THE STATE COMMITTEE OF INQUIRY INTO FISCAL IRREGULARITIES, SO ALL CORRESPONDENCE CONCERNING STATE FISCAL IRREGULARITY CASES SHOULD BE SENT TO FMP/F/IFS.

(2) FOR CASHIERS OF AGENCIES OTHER THAN STATE, THE FISCAL IRREGULARITY MUST BE REPORTED IN ACCORDANCE WITH THE AGENCY'S OWN PROCEDURES. AN INFO COPY OF THE REPORT SHOULD BE SENT TO THE USDO.

B. INITIAL REPORTS OF FISCAL IRREGULARITIES SHOULD GIVE ALL KNOWN FACTS AVAILABLE. IF ALL FACTS ARE NOT AVAILABLE, THE REPORT SHOULD SO INDICATE AND STATE WHEN A COMPLETE REPORT WILL BE AVAILABLE.

5. RESOLVING FISCAL IRREGULARITIES.

A. FOR STATE CASHIERS, THE PROCEDURES FOR RESOLVING FISCAL IRREGULARITIES DIFFER DEPENDING ON THE AMOUNT OF THE FISCAL IRREGULARITY:

(1) FISCAL IRREGULARITIES UNDER USD 500 ARE RESOLVED AT POST.

(A) THE CASHIER SUPERVISOR SHOULD PREPARE A REPORT FOR THE COM AT POST TO APPROVE ACTION FOR RESOLUTION OF THE IRREGULARITY, FOLLOWING PROCEDURES IN 3 FAM 4100 AND 4 FAH-3 H-397. A COPY OF THE REPORT SHOULD BE SENT TO FMP/F/IFS, WITH INFO TO THE USDO.

(B) IF THE POST CANNOT IMMEDIATELY RESOLVE THE IRREGULARITY, AN INITIAL REPORT OF THE IRREGULARITY SHOULD BE SENT TO FMP/F/IFS WITH INFO TO THE USDO. FMP/F/IFS WILL ASSIGN A CASE NUMBER AND TRACK THE CASE AS OPEN WHILE IT IS BEING RESOLVED BY THE POST. WHEN THE IRREGULARITY IS RESOLVED, THE FINAL REPORT MUST BE SUBMITTED TO FMP/F/IFS. IF THE IRREGULARITY IS NOT RESOLVED AND CLOSED WITHIN 60 DAYS (INCLUDING PROCESSING OF VOUCHERS), FMP/F/IFS WILL INTERVENE TO ASSURE CLOSURE.

(2) IF THE FISCAL IRREGULARITY IS USD 500 OR MORE, IT MUST BE RESOLVED BY THE COMMITTEE OF INQUIRY INTO FISCAL IRREGULARITIES (3 FAM 4100), IN ACCORDANCE WITH 4 FAH-3 H-397.3. THE INITIAL REPORT SHOULD BE SENT TO FMP/F/IFS STAFF WHO WILL ENTER THE FISCAL IRREGULARITY INTO THE DATABASE, AND PROVIDE THE USDO AND POST WITH AN IFS FISCAL IRREGULARITY CASE NUMBER. THE POST AND USDO WILL BE NOTIFIED OF ANY COMMITTEE DECISIONS AND CASE RESOLUTIONS.

B. FOR CASHIERS OF AGENCIES OTHER THAN STATE, FISCAL IRREGULARITIES SHOULD BE RESOLVED IN ACCORDANCE WITH THE AGENCY'S OWN PROCEDURES. AGENCIES SHOULD NOTIFY THE POST AND THE USDO WHEN THE CASE IS RESOLVED AND PROVIDE APPROPRIATE FISCAL DATA TO CLOSE THE CASE. THE CASHIER MONITORS WILL TRACK THE FISCAL IRREGULARITY AS OPEN UNTIL THE USDO IS NOTIFIED BY THE AGENCY THAT THE CASE IS CLOSED, OR WHEN THE CASE IS TRANSFERRED TO THE AGENCY SUSPENSE ACCOUNT (SEE 10.B BELOW).

6. FRAUD OR MALFEASANCE

EACH AGENCY'S INSPECTOR GENERAL IS RESPONSIBLE FOR CONDUCTING AND DIRECTING ALL INVESTIGATIONS OF COMPLAINTS, ALLEGATIONS, OR OTHER INFORMATION RELATING TO THE POSSIBLE EXISTENCE OF FRAUD OR MALFEASANCE THROUGHOUT THE DEPARTMENT AND THE FOREIGN SERVICE. CONSEQUENTLY, WHEN AN INITIAL INQUIRY DISCLOSES AN INDICATION OF MALFEASANCE OR A VIOLATION OF LAW(S) AND/OR REGULATION(S), AS SPECIFIED IN 2 FAM 035 SUCH INQUIRY IS TO BE SUSPENDED AND A REPORT MADE EXPEDITIOUSLY TO THE AGENCY'S INSPECTOR GENERAL (OIG).

7. FINAL REPORTS ON INVESTIGATION OF ALL IRREGULARITIES SHOULD INCLUDE THE FOLLOWING INFORMATION:

(A) A DETAILED STATEMENT OF FACTS, INCLUDING THE TYPE OF IRREGULARITY, DATE, AMOUNT, AND NAME AND POSITION OF INDIVIDUALS INVOLVED;

(B) A CITATION OF PERTINENT SUPPORTING DOCUMENTS, SUCH AS RECEIPTS, PAY RECORDS, CONTRACTS, VOUCHERS, ETC.;

(C) A DESCRIPTION OF HOW THE IRREGULARITY OCCURRED AND HOW IT AFFECTED THE ACCOUNTABLE OFFICER'S ACCOUNT;

(D) INFORMATION ON PROCEDURAL DEFICIENCIES, IF KNOWN, AND THE CORRECTIVE ACTION TAKEN, OR TO BE TAKEN;

(E) A STATEMENT OF THE EVIDENCE AS TO WHETHER OR NOT THE FISCAL IRREGULARITY OCCURRED BY REASON OF WILLFUL INTENT TO DEFRAUD THE GOVERNMENT OR FAULT OR NEGLIGENCE ON THE PART OF THE ACCOUNTABLE OFFICER OR SUPERVISORY PERSONNEL; AND

(F) INFORMATION AS TO THE RELIEF OR RESTITUTION EFFECTED OR CONTEMPLATED FROM THE RESPONSIBLE INDIVIDUAL(S) IF UNDER USD 500, OR THE RECOMMENDATION TO SEEK RELIEF OR REQUEST RESTITUTION IF USD 500 OR MORE. (FOR STATE CASHIERS).

8. IF THE FISCAL IRREGULARITY IS A CASH LOSS, THE USDO MAY TEMPORARILY INCREASE THE CASHIER ADVANCE DURING RESOLUTION, IF CASH IS NEEDED FOR DAILY CASHIER OPERATIONS.

9. AN OVERAGE OF CASH MUST BE REPORTED AS A FISCAL IRREGULARITY, AND EXCESS FUNDS DEPOSITED TO 191060, FORFEITURES OF UNCLAIMED MONEY. FOR STATE CASHIERS, A COPY OF THE GENERAL RECEIPT MUST BE SENT TO FMP/F/IFS TO CLOSE THE CASE.

10. TRANSFERRING OF FISCAL IRREGULARITIES FROM THE CASHIER TO THE USDO OR AGENCY ACCOUNTS:

(A) FOR STATE CASHIERS:

IF THE FISCAL IRREGULARITY IS NOT RESOLVED WITHIN 60 DAYS OF THE INITIAL REPORT, THE USDO WILL TRANSFER THE FISCAL IRREGULARITY FROM THE CASHIER ACCOUNTABILITY TO THE USDO ACCOUNTABILITY, AND REPORT THE IRREGULARITY ON LINE 5.1 OF FORM SF-1218. THIS INCLUDES UNRESOLVED FISCAL IRREGULARITIES UNDER \$500. POST REMAINS RESPONSIBLE FOR THE IRREGULARITY UNTIL RESOLUTION AND CLOSURE.

(B) FOR CASHIERS OTHER THAN STATE:

IF THE AGENCY HAS NOT PROVIDED FISCAL DATA TO CLEAR THE CASHIER FISCAL IRREGULARITY (SEE 5.B) WITHIN 60 DAYS, THE USDO WILL TRANSFER THE FISCAL IRREGULARITY FROM THE CASHIER TO THE OTHER AGENCY'S SUSPENSE ACCOUNT FOR RESOLUTION BY THE AGENCY. THE USDO WILL NOT REPORT OTHER AGENCY FISCAL IRREGULARITIES ON HIS/HER SF-1218.

11. FOR ALL CASHIER FISCAL IRREGULARITIES, THE USDO SHOULD:

(A) CONTACT THE POST'S FMO/**MANAGEMENT OFFICER** TO DETERMINE IF INTERNAL CONTROLS NEED TO BE STRENGTHENED TO PREVENT A REOCCURRENCE OF THE EVENT.

(B) PROVIDE THE ASSISTANCE NEEDED BY THE POST TO IDENTIFY AND STRENGTHEN INTERNAL CONTROLS OR IMPROVE CASHIERING PRACTICES.

(C) ENSURE THAT THE PROPER FSC REVIEWS WERE CONDUCTED (E.G., CASHIER MONITORS NOTIFIED POST OF UNUSUAL TRANSACTIONS ON FORM DS-3058 UNANNOUNCED VERIFICATION DOCUMENTATION AND THAT THE CASHIER SUPERVISOR PERFORMED UNANNOUNCED VERIFICATIONS).

12. FOR STATE CASHIERS, QUESTIONS ON REPORTING FISCAL IRREGULARITIES SHOULD BE DIRECTED TO YOUR SERVICING USDO OR FMP/F/IFS, (703-875-5612). FOR AGENCIES OTHER THAN STATE, CONTACT YOUR AGENCY HEADQUARTER'S OFFICE.

13. MINIMIZE CONSIDERED.

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