

4 FAH-3 H-390

CASHIER OPERATIONS

(TL:FMP-17; 05-05-2003)
(Office of Origin: A/RPS/DIR)

4 FAH-3 H-391 OVERVIEW

(TL:FMP-2; 4-30-95)

a. The purpose of the imprest fund is to make small payments when the ordering of checks is not practical and where the best interests of the U. S. Government are served by making payments in cash. Cash on hand must be kept to the minimum needed to meet normal requirements.

b. Only a duly designated and authorized cashier may operate an imprest fund. Principal cashiers overseas initially receive an advance by check payable to the cashier from a U.S. Disbursing Officer (USDO) and get replenished in the same manner. The cashier may not deposit checks or cash in a bank account or any other financial institution or operate the fund by issuing checks without the specific approval from the Director, International Financial Services Directorate (FMP/F/IFS). Domestic cashiers receive advances from their own bureau funds.

c. The cashier is an accountable officer and is personally responsible and accountable for safeguarding uncashed Government reimbursement checks, cash on hand, payroll cash (when authorized), cash and checks from accommodation and reverse accommodation exchange (when authorized), sales slips, invoices, and other receipts for cash payments. Cashiers will be held personally accountable for repayment of shortages and losses except when relief of accountability is granted by the Comptroller General of the United States or by the Department of State Committee of Inquiry into Fiscal Irregularities for amounts less than \$3000 or by the Chief of Mission for amounts less than \$500.

d. The cash management policy of the Department requires that payments be made by check or electronic funds transfer. Payments from the imprest fund are generally made to vendors for previously approved purchases of goods or services, to employees as advances for specifically authorized purposes, and to employees as reimbursements for authorized expenditures. Cash payments should be made only when the turn-around time for a check or electronic funds transfer payment would be later than required by a vendor and would result in a penalty. Cash payments should never be made to avoid the paperwork required for check or electronic funds transfer payments. All laws and regulations that restrict or prohibit specific types of disbursements of Government funds by check also apply to disbursements from the imprest fund.

e. The cashier's supervisor at each foreign post and each domestic office must establish and display the cashier's hours of operation, currency exchange rate (when applicable), and the post policy on cash disbursements, collections and accommodation and reverse accommodation exchange in accordance with the needs of the post or office and the workload of the cashier.

4 FAH-3 H-392 DEFINITIONS

(TL:FMP-2; 4-30-95)

a. **Imprest Fund**—A fixed-cash or petty cash fund in the form of currency, coin or Government check which has been advanced overseas by a State Department USDO, without charge to a Government appropriation or fund account, and domestically charged against a bureau's funds and advances, to an appropriately designated cashier for cash payments or other cash requirement purposes as specified in the designation. The fund may be a revolving type, replenished to the fixed amount as used, or a nonrevolving type such as a change-making fund. An imprest fund is a method of payment, not an authorization for payment.

b. **Accountable Officer**—An officer or employee who is designated or in possession of official funds. This individual is personally accountable for all funds advanced to or in possession of the individual until:

—They are returned to the USDO, bureau or cashier who advanced them;

—They are deposited in the proper U. S. Government depository account; or

—The Comptroller General grants relief of accountability. (See 4 FAH-3 H-397.4 for authorities to grant relief.)

c. **Disbursing Officer**—An officer or employee of a Federal department, agency, or corporation designated to disburse money and render accounts according to laws and regulations governing the disbursement of public money. The Disbursing Officer is an accountable officer.

d. **United States Disbursing Officer (USDO)**—An officer or employee of the Department of State who has been designated by and delegated authority from the Chief Disbursing Officer of the Treasury Department to disburse money and render accounts according to laws and regulations governing the disbursement of public money. The USDO is an accountable officer.

e. **Cash Management Officer**—The Director, Domestic Financial Services Directorate (FMP/F/DFS) is the Department's principal cash management official with responsibility for domestic or worldwide imprest funds.

f. **Cashier**—An officer or employee of a Federal department, agency, or corporation who has been appropriately designated and is authorized to perform limited cash disbursing functions or other cash operations as authorized by the official cashier designation. The cashier is an accountable officer.

g. **Class A Cashier**—An officer or employee of a Federal department, agency, or corporation who has been appropriately designated and who receives an advance overseas from a USDO and domestically from bureau funds. A Class A cashier is not authorized to advance an imprest fund to another cashier, except the alternate Class A cashier. The Class A cashier is an accountable officer.

h. **Class B Cashier**—An officer or employee of a Federal Department, agency, or corporation who has been appropriately designated and receives an advance overseas from a USDO and domestically from bureau funds. The Class B cashier is authorized to advance funds to their own alternate and to a subcashier. The Class B cashier is an accountable officer.

i. **Class D Cashier**—An officer or employee of a Federal department, agency, or corporation who has been appropriately designated and who receives an advance overseas from a USDO and domestically, from bureau funds solely for change-making purposes. The Class D cashier may advance funds to subcashiers for change-making purposes only upon authorization of the head of the employing agency or designee. The Class D cashier is an accountable officer.

j. **Alternate Cashier**—An officer or employee of a Federal department, agency, or corporation who has been appropriately designated and who receives an advance from their A, B, or C cashier. An alternate cashier functions in such capacity only during the absence of a principal cashier or subcashier, except where the volume of transactions require both principal and alternate to operate at the same time. The provisions which apply to principal cashiers also apply to their alternates. The alternate cashier is an accountable officer.

k. **Subcashier**—An officer or employee of a Federal Department, agency or corporation who has been appropriately designated and receives an advance from a Class B cashier. The subcashier is accountable to the Class B cashier. The subcashier is an accountable officer. (See 4 FAH-3 H-399.1 for subcashiers of agencies other than Department of State.)

l. **Domestic Cashier**—When used in this section, means an officer or employee of the Department of State who has been appropriately designated and operates in the United States. A domestic cashier performs all transactions in U. S. dollars and is not authorized to make accommodation exchanges. A domestic cashier is an accountable officer.

m. **Overseas Cashier**—When used in this section, means a cashier operating outside of the United States. An overseas cashier is an accountable officer.

n. **Accommodation Exchange**—The conversion of U. S. dollars into the currency of the host country (local currency) or another currency, also described as the selling of local currency by the cashier for U. S. Dollars.

o. **Reverse Accommodation Exchange**—The conversion of local or another currency into U. S. dollars, also described as the selling of U. S. Dollars by the cashier for local currency.

p. **Occasional Money Holders**—An employee who is required to handle funds for a specific purpose for a few hours, such as a messenger or an employee in the GSO's office who is designated to buy small amounts of supplies. An employee is designated to serve as an occasional money holder overseas or domestically either by an element of the individual's job description or by an authorizing letter or memo signed by the employee's American supervisor. A copy of this designation must be on file with the Class B cashier. The employee is advanced the funds by the Class B cashier or by a subcashier on the basis of a hand receipt (Form SF-1165, Receipt For Cash—Subvoucher, or equivalent) and is held accountable to the person from whom the advance was received. The advance must be settled by close of the cashier's office hours on the day following the day on which the advance was provided. Funds may never be advanced to an individual who has not been officially designated as an occasional money holder. The occasional money holder is an accountable officer.

q. **Receiving Officer**—A person who certifies the receipt of goods or services on a purchase order, other ordering document, or receipt.

4 FAH-3 H-393 ESTABLISHING THE FUND

4 FAH-3 H-393.1 Required Qualifications to be Designated a Cashier

(TL:FMP-2; 4-30-95)

a. Only persons with the integrity and ability to perform fiscal services in a responsible manner should be considered for a cashier designation.

b. Only a direct hire, permanent employee of the Department of State of any nationality may be designated as a Department of State cashier. Personal services contractors, employees of another agency or of a contractor, are not eligible to be designated as Class A, B, or D cashiers. Employees of other agencies may be designated subcashiers to Department of State principal cashiers in accordance with 4 FAH-3 H-399.1. Requests for exception must be directed to FMP/F/FMS/FPMC based on justification from a post or bureau.

c. The cashier must read, write, and speak English with sufficient fluency to understand and carry out the duties and responsibilities of the cashier function.

d. Before an employee is granted a permanent designation as an overseas cashier, the employee must complete the Foreign Service Institute "Training for Overseas Cashiers" and pass an examination required by FMP. A temporary designation not to exceed 180 days may be granted by FMP/F/IFS to allow the cashier to complete the course and pass the examination. If the cashier is unable to pass the exam by the end of the 180-day period, the candidate may not continue to act as a cashier. The candidate may retake the exam as often as required to achieve a passing grade.

e. Before an employee is designated as a domestic cashier, the employee should complete appropriate training offered by Treasury, Financial Management Service. This training is to include operational instructions and information on personal liability for government funds in the possession or control of cashiers, alternates, and their supervisors.

f. An Authorized Certifying Officer **may not** be designated as a cashier without the specific approval of the Chief Disbursing Officer of the Treasury Department. Replenishment vouchers prepared by the authorized certifying officer in the capacity of a cashier may not be certified by that officer. The certifying officer may not certify a voucher (except a payroll voucher) authorizing a payment to the certifying officer.

4 FAH-3 H-393.2 Request and Designation

4 FAH-3 H-393.2-1 Overseas

(TL:FMP-17; 05-05-2003)

a. More than \$5,000.

(1) Request—Requests for a cashier designation in excess of \$5,000 or to establish a new imprest fund in any amount, will be initiated by the financial **management officer** and approved by the principal officer or management officer at the post by telegram, fax, or memorandum to FMP/F/IFS. Information copies of the request from an overseas post must be sent to the servicing USDO and to the Authorized Certifying Officer at the fiscal servicing post.

(2) Designation—FMP has been delegated authority from the Chief Disbursing Officer, U.S. Treasury Department to designate cashiers for the Department of State. Upon receipt of the request for designation of an overseas cashier, FMP/F/IFS will review, approve, and send a telegraphic designation to the servicing USDO, the requesting official, the Authorized Certifying Officer at the fiscal servicing post, and the cashier. FMP/F/IFS will seek additional information if the request does not meet all of the requirements for designation and must deny the request for designation if the person does not meet all of the requirements.

b. Less than \$5,000.

(1) Request—Requests for a cashier designation less than \$5,000 at overseas posts will be made by the Financial Management Officer, principal officer, or **management officer** at the post by telegram, fax, or memorandum to the servicing USDO.

(2) Designation—USDOs have been delegated authority from FMP to designate cashiers with advances up to \$5,000 for the Department of State. Upon receipt of the request, the servicing USDO will review, approve, and send a telegraphic designation to the requesting official, the Authorized Certifying Officer at the post, and the cashier. The USDO will seek additional information if the request does not meet all of the requirements for designation and must deny the request for designation if the person does not meet all of the requirements.

4 FAH-3 H-393.2-2 In the United States

(TL:FMP-2; 4-30-95)

a. Request—To establish a new imprest fund in the United States, the bureau or office executive director must submit a request to FMP/F/DFS/FO.

b. Designation—Upon receipt of the request, FMP/F/DFS/FO will review, approve, and send copies of the designation to the requesting official, the Authorized Certifying Officer, and the cashier. FMP/F/DFS/FO will seek additional information if the request does not meet all of the requirements for designation.

4 FAH-3 H-393.2-3 Information Required in All Requests

(TL:FMP-2; 4-30-95)

All requests shall include the following information:

(1) For temporary designations, the complete name, title, official employment status, location, name of employing agency, and employee's qualifications is required. For permanent designations, in addition to the above information for temporary designations, evidence of cashier training and passing grade on the required examination must be supplied;

(2) The effective date requested;

(3) The location, name and title of the Authorized Certifying Officer at the fiscal servicing post or bureau who will certify replenishment vouchers and the servicing USDO;

(4) The name, title, employment status, and location of the cashier's supervisor;

(5) The name, title and location of the associated Class B or alternate cashier, or if the request is to replace an existing cashier, the name, title, and location of the outgoing cashier;

(6) The amount of U.S. Dollars and local currency requested. These amounts should be based on the expected requirements with a brief explanation of how these amounts were determined. The amount of time required to replenish the fund from the USDO or the Treasury Department should be taken into consideration in calculating the amount requested;

(7) The security arrangements including the location of and description of the office and disbursing window, and the type of safe used to store the fund. See 4 FAH-3 H-317 and SPUM, Appendix A Section 15 for further information on setting and changing safe combinations and safeguarding requirements; and

(8) If the request is to establish a new fund, also state the reason a fund is required, the need and justification for any special authorizations, i. e. accommodation exchange, travelers checks, and change making, and the amount of anticipated activity.

4 FAH-3 H-393.2-4 Request for Increase or Decrease

(TL:FMP-2; 4-30-95)

a. When an increase of an overseas cashier's advance is required and the current advance is more than \$5,000, or the increase would cause the advance to exceed \$5,000, the post must submit a telegraphic request for this increase to the servicing USDO and the fiscal-servicing post, if applicable. The following information must be provided:

- (1) Name of cashier;
- (2) Class B or alternate;
- (3) Office location of cashier (B&F, GSO, etc.);
- (4) U.S. dollar amount of present advance;
- (5) U.S. dollar amount of proposed advance;
- (6) Date of the last increase to the cashier's advance;
- (7) Total cash currency (dollars plus dollar equivalent of local currency) paid out in accommodation exchange, Form DS-1694 Exchange Transactions Record, during the previous six month period;
- (8) Total vendor and other cash payments per month for six month period;
- (9) Total cash currency (dollars plus dollar equivalent of local currency) received in accommodation exchange, Form DS-1694, during the six month period;
- (10) Total cash currency (dollars plus dollar equivalent of local currency) collections received during the six month period;
- (11) The exchange rate at which the dollar equivalent of the local currency in the above items was determined;
- (12) Method of accommodation exchange (by cashier or by bank or other source);
- (13) Average turn-around time for replenishment, by currency if varied (See 4 FAH-3 H-393.4-2 b for turn-around);
- (14) List of other agencies with cashiers at post;
- (15) For Class B cashier, number of subcashiers and total amount of advances to subcashiers (in U. S. dollars);
- (16) Other justification for increase, including the materiality of the requirement;

(17) Amount of cash advance required assuming a 5-day workweek (See 4 FAH-3 H-393.4-2) from the following formula:

$((7) + (8) - (9))$ divided by (5×26) equals daily cash advance requirements. Multiply this by 5 days, add number of days' turn-around time (4 FAH-3 H-393.4-2 b) to determine the required advance to be reported under this paragraph (17). Add any special considerations (previous paragraph 16) to arrive at the total advance requested. Note that collections item (10) is not entered in this formula, since collections may only be used by the cashier to cash replenishment checks (See 4 FAH-3 H-396.5 c(2)).

b. The USDO will review the request based on the information provided from the post, input from the fiscal-servicing post, and additional knowledge of the cashier's activity. After deciding whether or not the requested increase is needed, the USDO will forward a recommendation to the Department (FMP/F/IFS). If the Department concurs with the USDO, the Department will approve the requested increase, by revised official designation to the cashier and the fiscal-servicing post, and advise the USDO to issue the funds to increase the advance.

c. When a request for an increase would not cause the advance to exceed \$5,000, the designation is handled in accordance with 4 FAH-3 H-393.2-1 b.

d. When a bureau wants to increase or decrease the advance held by their domestic cashier, the bureau must submit form OF-211, Request for Change or Establishment of Imprest Fund, to FMP/F/DFS/DFMO for approval.

4 FAH-3 H-393.2-5 Designating Office Files

(TL:FMP-2; 4-30-95)

The office authorized to designate cashiers is responsible for maintaining the official cashier files. FMP/F/DFS/FO will maintain the domestic cashier designation files. Each USDO who makes a cashier designation must send a telegram, fax, or memorandum to FMP/F/IFS with the following information for the master list of cashiers maintained in that office:

- Complete name;
- Employment status;
- Location;
- Maximum amount of designation in each currency;
- Name of principal cashier if an alternate or subcashier; and
- Special authorizations.

4 FAH-3 H-393.2-6 Cashier Files

(TL:FMP-2; 4-30-95)

a. Each Class B cashier, alternate (if designated), and subcashier must establish and maintain in a file:

—A copy of the initial request for and confirmation of designation and of the memorandum, cable or letter of designation concerning the initial advance;

—A copy of all correspondence covering increases or decreases;

—Any other correspondence pertaining to the advance;

—Any exceptions to or questions about payments made by a cashier;

—A copy of the exception document and subsequent correspondence concerning corrective action;

—Copies of cashier reconciliations for the current fiscal year and for the first six months of the subsequent fiscal year;

—For Class B cashiers, copies of all alternate and subcashier designations, related correspondence, and documents relating to the accountability of alternates and subcashiers under their accountability (alternates and subcashiers are responsible for sending copies of all designations and verifications to the Class B cashier); and

—A copy of all correspondence and documents related to cashier irregularities, the reports to the Committee on Inquiry into Fiscal Irregularities, and their disposition.

b. Other necessary files must be maintained to document deposits, collections, transfers to the operating advance and all other items comprising the accountability. Overseas cashiers should refer to the filing instructions in the SPUM, Appendix A Section 15.1.

4 FAH-3 H-393.2-7 Cashier Forms and Manuals

(TL:FMP-2; 4-30-95)

Cashier offices are to be furnished with current cashiering forms. See 4 FAM and 4 FAH-3 H-390, SPUM Appendix A Cashiers' Manual, Treasury Regulations 1-TFM 4-3000, and the Treasury Cashiers Manual as appropriate.

4 FAH-3 H-393.3 Responsibilities

4 FAH-3 H-393.3-1 Cash Management Officer

(TL:FMP-2; 4-30-95)

The Cash Management Officer (FMP/F/DFS) in collaboration with FMP/F/IFS, is responsible for:

—Approving, or delegating authority to USDOs to approve designations of cashiers worldwide;

—Ensuring that domestic cash verifications are being made as required by 4 FAH-3 H-390 ;

—Providing guidance and instructions to USDOs, Financial Management Officers, cashier supervisors, and cashiers on the conduct of and matters relating to domestic and overseas cashier operations;

—Monitoring the amount of each domestic cashier's advance to determine if it is at a minimum level to meet the needs of the posts or office; and

—Ensuring that audit, investigative, reporting and accounting requirements for irregularities are being met.

4 FAH-3 H-393.3-2 Financial Management Officer/Cashier's Supervisor

(TL:FMP-2; 4-30-95)

The Financial Management Officer (FMO) or Cashier's Supervisor is responsible for:

—Determining the need for cashier operations including imprest fund payments and collection activities;

—Initiating and processing documentation for the designation, change, and revocation of cashiers; changes in the amount of the fund to achieve the Department's cash management objectives; and requests to obtain or cancel special authorizations, i. e., accommodation exchange or travelers checks;

—Performing monthly verifications of cashier activities under the officer's supervision; and

—Providing guidance and overall supervision to individual cashiers on the operational requirements of the cashier function and in resolving operational problems.

4 FAH-3 H-393.3-3 Cashiers

(TL:FMP-2; 4-30-95)

a. Cashiers as specifically authorized by their individual cashier designations are responsible for one or more of the following only when properly approved:

(1) Making payments and obtaining required receipts for goods and services such as local transportation, postage stamps, and small purchases. (See 4 FAH 3 H-394.1-2 a.)

(2) Making interim advances and obtaining required receipts from occasional money holders for small purchases. (See 4 FAH-3 H-394.1-2 a.)

(3) Making travel advances and obtaining required receipts. (See 4 FAH-3 H-394.2-3 c.)

(4) Making advances to, and obtaining required receipts from, designated alternates or subcashiers. (See 4 FAH-3 H-398.1-1 and 4 FAH-3 H-394.2-3 e & f respectively.)

(5) Performing accommodation and reverse accommodation exchange and completing required documentation, if so authorized. (See 4 FAH-3 H-394.2-5.)

(6) Making change.

(7) Selling travelers checks for travel advances and completing the required documentation. (See 4 FAH-3 H-467 , 4 FAH-3 H-399.5 and SPUM, Appendix A, Section 17.)

(8) Depositing a portion of the Class B cashier's local currency cash advance in a cashier checking account and obtaining required receipts, for use in making limited disbursements by check. (See 4 FAH-3 H-395 .)

(9) Receiving collections from and providing required receipts to accountable consulate cashiers and other subcashiers and from employees, contractors, and others for official collection such as reimbursement of telephone fees, authorized use of official vehicles, etc. (See 4 FAH-3 H-396.)

(10) Receiving consular fees. (See 4 FAH-3 H-396.4-2 and SPUM Appendix A Section 6.)

(11) Receiving and disbursing Suspense Deposits Abroad (SDA) funds and completing required documentation as authorized and approved by the post Financial Management Officer. (See 4 FAH-3 H-396.6 .)

(12) Receiving and disbursing payrolls for Foreign Service National employees as authorized and approved by the servicing USDO. These funds, although not part of the cashier's advance, are part of the cashier's accountability and must be handled in the same manner as other official funds. The cashier must verify the identity of and the authority of each payee to receive payment and obtain a receipt for each payment. The cashier is fully accountable for these funds from the time received until payroll distribution and a complete accounting is made. (See 4 FAH-3 H-394.2-2 and SPUM, Appendix A, Section 17.)

(13) Preparing a daily reconciliation of all funds in the possession of the cashier. (See 4 FAH-3 H-397.1-1.)

(14) Safeguarding the funds and all related documents. (See 4 FAH-3 H-0317.)

(15) Operating the fund in strict and complete compliance with the regulations in 4 FAH-3 and other official instructions.

b. A cashier is personally accountable for the fund and all related documents until all payment requests are certified for payment by an Authorized Certifying Officer and paid by the cashier, all cash is deposited in the proper depository account, or in the event of a loss or shortage, relief of accountability is granted as provided in 4 FAH-3 H-397 and 3 FAM 4110 .

4 FAH-3 H-393.4 Advance of Funds to Cashiers

4 FAH-3 H-393.4-1 Composition of Advance

(TL:FMP-2; 4-30-95)

a. Cashiers are authorized to be advanced funds up to the dollar amount shown on their official designation. Domestic Class B cashiers will hold funds in dollars only. Overseas Class B cashiers may hold funds in dollars or local currency equivalent to the authorized dollar amount.

b. For overseas Class B cashiers, the ratio of US dollars to local currency is based upon estimated needs. A portion may also be held in additional currencies if necessary when approved by the FMO and the servicing USDO. The relative composition of the advance will be maintained by requesting replenishment in the currency disbursed. If any change occurs in the ratio of currencies needed, an adjustment may be made by

requesting replenishment in different amounts than disbursed, if authorized by the FMO.

4 FAH-3 H-393.4-2 Amount of Advance

(TL:FMP-17; 05-05-2003)

a. A cashier's accountability is authorized as a maximum U.S. dollar amount but the actual accountable amount is constantly fluctuating as a result of the cashier's activity. For example, if a cashier with an authorized advance of \$5,000 (cash on hand) receives a single collection of \$15,000, the cashier's accountability is temporarily increased to \$20,000. If the cashier then deposited \$17,000 into the USDO's account, the cashier's accountability would be decreased to \$3,000, though the cashier's maximum authorization remains at \$5,000.

b. The advance may not exceed the actual needs of the cashier. Normally, the amount of the advance is the amount of funds the cashier requires for one week's activity, plus an amount sufficient to cover replenishment turn-around time. Turn-around time is considered to be from the date the cashier releases the replenishment voucher for certifying to the date the cashier receives the corresponding replenishment check(s). Under no circumstance may the advance exceed the average cash disbursements for a one-month period.

c. Upon determination that conditions warrant an increase or decrease in the amount of a cashier's advance authorization, a request is made, with appropriate justification in the case of increases, and a revised official designation is processed in the same manner as for an initial designation. (See 4 FAH-3 H-393.2.) Additional cash is issued to the cashier or excess cash is returned by the cashier, as applicable.

d. When a significant (more than ten percent) change in the value of a foreign currency is officially decreed, the US dollar equivalent of the cashier advance is changed accordingly and noted on the revised official designation. The financial management officer reviews the advance to determine if the monies advanced to the cashier should be increased or decreased. If the revised US dollar total differs from the existing advance authorization, the post must request a revised authorization from FMP/F/IFS.

e. The adequacy of the cashier's advance must be reviewed at least every six months by the financial management or **management officer**, who should consult the USDO for any automated data available to assist in the review. The review should consider fluctuating exchange rates, changing cash payment requirements for the location, and any other factors affecting the amount of the Class B cashier's advance. The review must be documented, signed by the cashier and the FMO at overseas

posts, or the bureau and FMP/F/DFS/DFMO at domestic locations, and filed in the cashier's file, with a copy sent to the servicing USDO for overseas posts and to FMP/F/DFS/DFMO for domestic cashiers. Emphasis must be placed upon reducing the advance to the minimum level required for the cashier's needs.

4 FAH-3 H-393.4-3 Storage of Advance

(TL:FMP-2; 4-30-95)

a. Cashier funds (for Class B cashiers and subcashiers) must be placed in a combination safe or vault with a manipulation resistant lock and be under the exclusive control of the cashier. When an alternate cashier has a portion of the Class B cashier's or subcashier's advance for operational needs, these funds should be in a separate safe or vault under the exclusive control of the alternate cashier and given the same care for safeguarding as outlined in 4 FAH-3 H-317. Further directions can be found in the Manual of Procedures and Instructions for Cashiers for domestic cashiers and in the SPUM Appendix A Section 15 for overseas cashiers.

b. Cashiers are prohibited from holding and/or disbursing personal funds or personal checks of employees, contractors, official visitors, or anyone else, unless received in authorized transactions such as accommodation exchange or repayment of advances. Cashiers are also prohibited from holding any accountable forms, such as Government Travel Requests (GTR's), Government Bills of Lading (GBL's), or any other money, checks, or documents that are not a part of the fund accountability.

4 FAH-3 H-393.4-4 Safeguarding Funds

(TL:FMP-2; 4-30-95)

For safeguarding of funds, changing safe combinations, etc., see 4 FAH-3 H-317.

4 FAH-3 H-393.4-5 Payment of Advance

(TL:FMP-2; 4-30-95)

a. Class B Cashier—After receiving an approved designation (4 FAH-3 H-392.2), the Class B Cashier requests U.S. Treasury checks (if a dollar advance is authorized) and local currency checks in the amounts needed. These amounts are normally less than the maximum amounts authorized in the designation. For safeguarding purposes, advance checks payable to the cashier are issued in small denominations to enable encashment by the cashier as required. Advance checks are not to be cashed until the funds are actually needed. If the cashier receives and

assumes responsibility for the cash balance of a predecessor's advance, procedures in 4 FAH-3 H-398 are followed. If an increase in a cashier's advance is subsequently authorized, the post or domestic bureau or office requests additional checks as necessary for the increase. If a decrease is determined, the cashier reduces the amount requested for a subsequent replenishment. An overseas cashier may also deposit local currency to the USDO local depository, or return U.S. dollar or local currency replenishment checks to the servicing USDO.

b. **Alternate Cashier**—For advances of funds to the alternate cashier, see 4 FAH-3 H-398.1-1 .

c. **Subcashier**—An advance to a subcashier is made in cash by the Class B cashier. A receipt is obtained and is made part of the cash inventory of the Class B cashier. If an increase or a decrease in a subcashier advance is subsequently authorized by the FMO in the fiscal-servicing post, an adjustment in the amount of cash and of the receipt is arranged between the Class B cashier and the subcashier.

4 FAH-3 H-393.4-6 Protection for Cashiers

(TL:FMP-2; 4-30-95)

The cashier supervisor in collaboration with the security officer is responsible for arranging adequate security to protect the cashier when the cashier makes trips to the bank to cash replenishment checks or to deposit collections.

4 FAH-3 H-394 USE OF OPERATING CASH ADVANCE

4 FAH-3 H-394.1 Responsibilities of Cashier

4 FAH-3 H-394.1-1 General Responsibilities

(TL:FMP-2; 4-30-95)

a. The cashier makes payments from the imprest fund only for goods and services that have been approved by properly authorized employees. The cashier is responsible for being familiar with all relevant regulations, particularly 4 FAM , 6 FAM , Federal Acquisition Regulations (Subpart 13.4), and the procedures manuals for domestic and overseas cashiers mentioned throughout this section, all of which address allowable transactions, the proper procedures, and the documentation required.

b. The cashier is responsible for all official funds received and for accounting for all transactions at all times. Overseas cashiers maintain a record of all operating cash advance transactions on Form OF-209, Accountability Record. A separate Form OF-209 is maintained for collections. Domestic cashiers use Form OF-1129, Cashier Reimbursement Voucher And/Or Accountability Report, for the same purpose. Detailed procedures for each are provided in the relevant manuals for domestic and overseas cashiers as referenced below.

4 FAH-3 H-394.1-2 Authorized Use of Imprest Fund

(TL:FMP-2; 4-30-95)

a. An imprest fund should satisfy a continuing need for making limited value cash disbursements, in lieu of processing check disbursements. Disbursements from imprest funds generally are made to:

—Vendors as payment for small purchases of goods and services;

—Others if approved by the Department's cash management officer or these regulations;

—Employees as advances for making specifically authorized expenditures; or

—Employees as reimbursements for authorized expenditures, such as local transportation and authorized small purchases.

b. See 4 FAH-3 H-394.2-1 h for payments not authorized from the imprest fund.

c. When considering small purchases, cashiers should contact their immediate supervisor, the FMO at post or the Vendor Claims Branch domestically for guidance on proper forms, approvals, and methods of payment. This is especially important when using an imprest fund where a justification must be established for exceeding the basic imprest fund transaction limitation of \$500.

d. An imprest fund is an approved method of paying for small purchases and for reducing the paperwork required for authorizing purchases. Federal Acquisition Regulations (13.4) permits the use of an imprest fund when:

—An imprest fund payment transaction does not exceed \$500 for routine payments, or such limits over \$500 as an agency prescribes for special circumstances (See 4 FAH-3 H-394.2-1 b);

—The use of an imprest fund is considered to be advantageous to the Government; and

—The use of an imprest fund for a transaction complies with requirements established by the Department and with the policies set forth in Federal Acquisition Regulations.

4 FAH-3 H-394.2 Effecting Payments

4 FAH-3 H-394.2-1 Limitation on Petty Cash Payments for Goods and Services

(TL:FMP-2; 4-30-95)

a. A cashier may make cash payments only as allowed by these regulations or as specifically authorized domestically by FMP/F/DFS/DFMO. Cashiers are prohibited from personally delivering payments of any type or amount to or for anyone. Cashiers may make payments only through the cashier's window. The only exception occurs when the cashier is authorized by the principal officer to provide accommodation exchange at a location outside the embassy for White House trips, CODEL's or conferences. When this authorization is provided by the principal officer, post management in conjunction with the security officer must establish safeguards for both the cash and for the cashier providing accommodation exchange off-site. Further, the safeguards must be reviewed periodically (at least annually) by the security officer and improved as needed.

b. The maximum amount for any cash payment may be established in the official designation but may not be in excess of \$500 or equivalent, except in a bona fide emergency, explained below, on a certified voucher which cannot exceed \$3,000. The convenience of the payee is not a justification for payment in excess of the \$500 limit. (For utility bills and ORE payments see below).

(1) A bona fide emergency to justify an exception to the limit of \$500 on a cash payment should have elements similar to the following:

(a) A crisis requires unusual or immediate action, such as disaster relief or protection of life or property.

(b) A recurring payment normally by check cannot be made because the check does not arrive by the due date and a replacement cannot be obtained in time. Examples are payroll payments to employees and payments to lessors or contractors with contractual due dates.

(c) A key post operation or a traveler will be delayed and their purposes cannot be achieved as a result.

(2) Each voucher or subvoucher supporting an emergency payment must have the justification written on the voucher with "Approved for emergency payment" signed by the Associate Comptroller for International Financial Operations for domestic payments, or by the principal officer at a post or a designee authorized in writing. The designated approving officer for emergency payments cannot be the FMO, the authorized certifying officer, or the cashier. Such approval must be obtained prior to payment of the voucher. Relevant documentation must accompany the voucher if necessary to support the justification.

(3) When cash payments in excess of \$500 must be made on a continuing basis, approval may be granted by the principal officer or designee of the fiscal servicing post, to remain in effect until canceled. Such payments may be of a specific type or for a specific period of time; i.e. cash transactions to support an event such as a CODEL visit or a conference. The approval document must be referenced on the payment voucher in lieu of attaching a copy for continuing payments.

c. If a cash payment is authorized by the Department or another agency, which exceeds the \$500 limitation on a nonemergency payment or the \$3,000 limit for an emergency payment, the authorizing instruction (letter, telegram, etc.) must be attached to the voucher and an approving officer's signature is not required. If the authorizing instruction is limited official use or classified, a statement to that effect with the signature of the approving officer is required on the voucher.

d. In those countries in which utility companies demand settlement of invoices within a time frame too limited to process a voucher for check issuance by the servicing USDO, the principal officer may approve the practice of paying utility bills in cash. The Department (FMP/F/IFS) must be notified of such approval, which will remain in effect until canceled by the principal officer or the Department. After this notification to the Department, each subsequent utility payment does not require the principal officer's signature, but a certified voucher must support each payment. When the public transportation of cash by utility or vendor personnel is not expedient, and inter-bank transfers are possible, arrangements to pay vendors and/or utility bills should be made with the servicing USDO for the post to telegraphically submit payment data to the USDO, so that the USDO may initiate a bank inter-account transfer by Telex to credit the payee's account and charge the USDO's account.

e. When approved by the principal officer, official residence expenses (ORE) as authorized in Standardized Regulations 400 may be reimbursed from a cashier's advance. A certified voucher must support the payment by the cashier. Funds for the payment shown on the voucher may be obtained from the cashier on an interim receipt signed by the principal representative, to be replaced with paid receipts the next working day. The limit for payment of ORE expenses in cash is the amount on the certified ORE voucher. ORE expenses may not be advanced prior to performance of services or purchase of goods. Reimbursement payments for ORE expenses may only be paid to the "Principal Representative" (as defined in Chapter 400 of the Standardized Regulations) or to vendors, not to individual servants or other staff.

f. If a post or domestic office or bureau encounters a situation in which it concludes that, due to unique circumstances, the above limitations are unduly restrictive, the post may request an exception from the Department, FMP/F/FMS/FPMC. The post must fully document the pertinent circumstances along with the justification.

g. Each cashier is authorized and has the responsibility to refuse to make a payment if any questions cannot be resolved to the cashier's satisfaction regarding the propriety of the payment, documentation required, or the authority of the approving or authorizing officer. Cashiers can consult with their immediate supervisor, the Financial Management Officer, or the Authorized Certifying Officer to resolve questions. The cashier may request prior certification by an Authorized Certifying Officer of unresolved requests for payment prior to making the payment. Supervisors and managers should never direct or instruct a cashier to make a payment unless the cashier's questions are resolved or the document is certified prior to payment.

h. Payments not authorized from the imprest fund:

- The payment of personal loans or personal bills;
- The purchase of bank, postal, telegraphic, or any other type of money order, except when specifically approved by the Cashier Designation;
- The purchase of personal calling cards or holiday greeting cards;
- To pay traffic fines or tickets; and
- Any other payment that is not authorized by statute or regulation.

4 FAH-3 H-394.2-2 Funding for Emergency Payrolls and Other Payments

(TL:FMP-2; 4-30-95)

a. For overseas posts, procedures are established by the servicing USDO for funding of payments in emergency situations. The emergency procedures include funding for payment of salaries and allowances by a post cashier in the event payroll checks are not received when regularly scheduled. Arrangements are also developed for cash funding of other emergency requirements at serviced posts. The instructions for emergency funding, payment, and reporting are issued by each center for guidance of cashiers and other personnel concerned at the posts. Regardless of a center's funding procedure, emergency payments for goods and services, other than payroll situations, must be approved by the principal officer or a designee in accordance with 4 FAH-3 H-394.2-1 .

b. Domestically, emergency payroll payments and payments for other services must be approved by FMP/F/DFS/DFMO.

4 FAH-3 H-394.2-3 Cash Advances

(TL:FMP-2; 4-30-95)

a. An advance from an imprest fund can be given to a person to carry out an authorized Government purpose. The advance must be accounted for by the person who receives it. That person must safeguard the money adequately and will be held personally liable for the advance if a proper accounting is not made within the prescribed time limits.

b. The cashier shall only advance cash based on a properly approved document signed by an officer who has the authority to approve advances.

c. The cashier may advance cash based on properly approved travel orders and a properly approved request for advance form.

d. The maximum amount of a cash advance is \$500, except in a bona fide emergency when the limit is \$3,000. (See 4 FAH-3 H-394.2-1 b for an explanation of a bona fide emergency.)

e. A principal cashier may advance part or all of the imprest fund to a properly designated alternate cashier up to the amount of the alternate cashier's designation and must obtain a properly executed receipt accounting for the amount advanced. (see 4 FAH-3 H-398.1-1 .)

f. A principal or an alternate cashier may advance funds to a subcashier up to the amount of the subcashier's designation and must obtain a properly executed receipt for the amount advanced. (See 4 FAH-3 H-393.4-5 c.)

4 FAH-3 H-394.2-4 Receipt Requirements

(TL:FMP-2; 4-30-95)

a. All payments from the imprest fund require a valid receipt which becomes a subvoucher and part of the accountability of the fund. Each payment must be supported by one of the following:

—An original bill;

—A sales slip;

—A cash register ticket;

—An invoice;

—An SF-1165 Receipt for Cash-Subvoucher; or

—An equivalent receipt form that itemizes goods or services and their amounts.

b. All receipts must:

(1) Be original or bear the dated signature of the person presenting the receipt with notation that the original is not available and the copy serves as the original.

(2) Show the date of the purchase from the vendor and be signed by the vendor if more than \$25. The receipt must be itemized and describe the item(s) purchased. A receipt for less than \$25 can be a simple cash register tape. The receipt must be itemized and describe the item(s) purchased, but does not have to be signed by the vendor.

(3) Be written in English, or be translated into English in sufficient detail to identify the goods or service procured, purpose of the procurement, and evidence that the goods or service have been received.

(4) Be administratively approved with the complete signature, not initials, of an officer who has been delegated authority to approve the procurement of goods or services.

(5) Be signed and dated by the person actually receiving the cash from the imprest fund cashier.

c. The cashier must mark all receipts and supporting documents PAID immediately when they are paid. These paid receipts must be sequentially numbered when paid, beginning with number 1 at the start of each fiscal year.

4 FAH-3 H-394.2-5 Accommodation Exchange

(TL:FMP-17; 05-05-2003)

a. Class B cashiers overseas are authorized to make accommodation and reverse accommodation exchange only:

—If authorized by the principal officer, the FMO or principal Authorized Certifying Officer at the post; and

—If authorized by the official cashier's designation document.

b. The principal officer will determine and post the maximum amount allowed for each transaction.

c. Cashiers must use the prevailing rate of exchange for accommodation and reverse accommodation exchange and display the rate at the cashier window. (See 4 FAH-3 H-320)

d. Domestic subcashiers are prohibited from making accommodation and reverse accommodation exchange.

e. Cashiers are authorized to accept first party personal checks and first party travelers checks from persons authorized (See 4 FAH-3 H-360) to make accommodation exchange, only if the checks are payable to the "American Embassy", "Department of State", or "U.S. Treasury." First party U. S. Treasury checks may be accepted only if they are endorsed to one of the payees listed above. Cashiers are not authorized to accept for accommodation exchange any Treasury check that is more than one year old, or any personal check that is more than six months old.

f. Cashiers are not authorized to accept any third party checks or checks payable to the name of the cashier or to cash.

g. Cashiers must immediately endorse all U. S. dollar checks "for deposit only" upon receipt and follow the USDO's instructions to deposit the checks or remit them to the USDO. (See SPUM Appendix A, Section 7).

h. Cashiers must immediately endorse all local currency checks "for deposit only" and follow the USDO's instructions to deposit the checks in the local bank account of the USDO. (See SPUM Appendix A Section 7.)

i. For uncollectible checks, see SPUM, Appendix A Section 8 and 4 FAH-3 H-399.4-2 c.

j. Cashiers may use U. S. currency received in accommodation exchange to cash replenishment checks, and must then process the U. S. Dollar replenishment checks in the same manner as other U.S. Dollar checks.

k. Cashiers are prohibited from safeguarding or holding cash or check proceeds from a departing employee's sale of personal property pending a future reverse accommodation exchange transaction. Employees (not the cashier) should accumulate proceeds from these sales and make a single reverse accommodation exchange (or two if authorized by the designated authorizing officer at the post) for the total approved amount instead of for each sale. The post **management officer** should advise employees to tell the cashier the approximate amount in advance of a large reverse accommodation exchange so the cashier can plan to have adequate cash on hand. The cashier may request a U.S. Dollar Treasury check payable to the departing employee if adequate dollars are not available. (See 4 FAH-3 H-360).

l. Cashiers must record all accommodation and reverse accommodation exchange transactions daily on Form DS-1694, Exchange Transaction Record. (See SPUM Appendix A Section 5.)

4 FAH-3 H-394.2-6 Replenishment and Accounting for Funds

(TL:FMP-2; 4-30-95)

a. Form OF-1129, Cashier Reimbursement Voucher, is used by the cashier to obtain replenishment for funds disbursed from the advance, and domestically to report the status of the operating cash advance. The preparation and distribution of Form OF-1129 is shown in the SPUM Appendix A Section 4.2 for overseas operations and in the Treasury Cashier Manual for domestic operations. Processing Form OF-1129 vouchers for payment will be in accordance with standard procedures i.e. by voucher, Form SF-1166, Voucher And Schedule Of Payments, or electronic transmission (i.e. DATEL).

b. The cashier must prepare and submit for replenishment Form OF-1129 at least once a week but may do so more frequently if warranted by the amount of disbursements. If for any reason Form OF-1129 cannot be submitted as required above, the cashier submits an explanation in lieu of the voucher. Included as an integral part of Form OF-1129 are the receipts received from a subcashier in replenishment of the latter's advance. See 4 FAH-3 H-394.3 b.).

c. The subvouchers (numbered receipts) supporting each Form OF-1129 are attached in numerical order to the original Form OF-1129 for the certifying officer. The cashier prepares a list of the attached receipts in triplicate, showing for each subvoucher: the number, vendor's name, goods purchased or services received, and amount. A copy of the listing is attached to each copy of the reimbursement voucher.

d. Certified vouchers paid by the cashier are batched and submitted under a separate Form OF-1129 from that transmitting uncertified petty cash subvouchers. The certified vouchers are numbered consecutively beginning with "1." In the certification block of Form OF-1129, the following statement is typed: "Certified vouchers 1"(last number) attached." The original of each certified voucher is attached to the duplicate of Form OF-1129 and a copy of each certified voucher to the original and all other copies of Form OF-1129.

e. All Form OF-1129's are processed through the certifying officer. If the certifying officer questions an expenditure or documentation on Form OF-1129, the receipt in question is returned to the cashier by memorandum or by a copy of Form OF-1129. The cashier either:

—Arranges for the necessary correction and includes the receipt on the next Form OF-1129; or

—Recovers the amount questioned.

f. Until the matter is settled, the amount questioned is reported as a "difference" on subsequent Form OF-1129. The FMO will review Form OF-1129, at least quarterly, to insure that replenishment is commensurate with actual needs and do not exceed the maximum limitations (See 4 FAH-3 H-393).

4 FAH-3 H-394.3 Subcashiers and Alternate Cashiers

(TL:FMP-2; 4-30-95)

a. The regulations in 4 FAH-3 H-394 , which apply to the Class B cashier's use of the operating cash advance, also apply to subcashiers and to alternates.

b. A request by a subcashier or an alternate cashier for replenishment from a cashier is by submission of receipts with either Form OF-1129 or a signed, typed list of receipts.

4 FAH-3 H-395 CLASS B CASHIER CHECKING ACCOUNT

4 FAH-3 H-395.1 General Provisions

(TL:FMP-2; 4-30-95)

a. Under normal circumstances, cash resources are deposited into accounts maintained by the U.S. Treasury or USDOs. In unusual cases, FMP/F/IFS may authorize maintaining cash balances in commercial bank accounts or in accounts of other financial institutions. In such cases, operating cash advances may be deposited into those accounts, and payments may be made from them.

b. The establishment of a cashier checking account or similar account is subject to prior approval by FMP/F/DFS/DFMO for domestic cashiers and by the Department (FMP/F/IFS) for overseas cashiers. The request for approval must contain a full explanation of the necessity for the checking account. Unless specifically authorized, checking accounts for overseas cashiers are established in local currency only. If a checking account is established overseas, the Class B cashier and the FMO are subject to the control, reporting and recordkeeping requirements of the servicing USDO.

c. The account is used for making check payments from the cashier's operating cash advance only. All regulations and limitations applicable to cash payments apply to check payments. Additional limitations may be established domestically by the Associate Comptroller for International Financial Operations, and overseas by the servicing USDO, the FMO or the principal authorized certifying officer.

4 FAH-3 H-395.2 Establishment of Account

(TL:FMP-2; 4-30-95)

a. Overseas, the account is established in a local bank or institution, which has been designated as a U.S. Government depository, under the title "United States Cashier, Department of State." The Class B cashier is designated as the principal drawer on the account. The USDO is designated as the alternate drawer, to act only in the event of disability, death or disappearance of the Class B cashier or other emergency. The cashier may, in writing, authorize the cashier's alternate to sign checks drawn against the accounts as circumstances may warrant.

b. Domestically, a bureau or an office must have a very strong justification in order to receive FMP/F/DFS/DFMO approval of a checking account. If one is desired, contact FMP/F/DFS/DFMO for guidance and instructions.

4 FAH-3 H-395.3 Funding of Account

(TL:FMP-2; 4-30-95)

a. The cashier's operating cash advance is the only money which may be deposited in the checking account.

b. Interest earned on the account is withdrawn from the bank by issuance of a check payable to "American Embassy" with the purpose for which drawn noted as: "Interest earned from (date) to (date)." The check is deposited to the local depository account of the USDO or remitted to the USDO for deposit. The amount is recorded as a collection to receipt account 191435 on Form OF-158, General Receipt, in accordance with 4 FAM 350 , and on the cashier's Form OF-209, Accountability Record, maintained for official collections, in accordance with 4 FAH-3 H-396 .

c. Service charges on the account, if any, are paid from the operating cash advance and charged to the post's allotment (for domestic cashiers, to the bureau or office allotment) by a petty cash subvoucher, which should be cross-referenced to the bank statement from which the service fee is deducted.

4 FAH-3 H-395.4 Register of Transactions

(TL:FMP-2; 4-30-95)

The cashier must maintain a permanent official register of all checking account transactions. This register must be retained in accordance with the Department of State Records Management Handbook. See SPUM Appendix A Section 11.1 for detailed procedures and for direction in using Form OF-209 when reconciling the cashier's checking account with the bank statement.

4 FAH-3 H-395.5 Check Preparation

(TL:FMP-2; 4-30-95)

Prenumbered checks supplied or authorized by the depository bank are to be used. Any associated cost is charged to the post's or bureau/office allotment. For additional instructions on check preparation, signing, and storage of blank checks, see 4 FAH-3 H-350 . Checks must be used in sequence and the check number must be entered on all invoices paid by check.

4 FAH-3 H-395.6 Monthly Bank Statement

(TL:FMP-2; 4-30-95)

The provisions of 4 FAH-3 H-352 are applicable to the cashier's monthly bank statement requirements.

4 FAH-3 H-395.7 Monthly Report on Account

4 FAH-3 H-395.7-1 Action by Cashier

(TL:FMP-2; 4-30-95)

The cashier reconciles the register of transactions with the monthly bank statement by the preparation of Form SF-1149, Statement of Designated Depository Account. Detailed instructions for preparing Form SF-1149 are found in SPUM Appendix A Section 17.0.

4 FAH-3 H-395.7-2 Action by FMO, *Management Officer*, or Principal Officer

(TL:FMP-17; 05-05-2003)

The FMO, the *management officer*, the principal officer, or the principal officer's designee, as available at the post, is responsible for auditing the cashier's Form SF-1149. Domestically, this audit will be performed by FMP/F/DFS/DFMO. The audit includes verification of entries and computations, and review of:

—The opening balance on Form SF-1149 to determine that it agrees with the closing balance of the previous month's statement.

—The record of any deposits in transit for more than 30 days to determine the reason for the delay.

—The record of any check outstanding for more than 90 days from date of issue to assure proper payment.

—The list of outstanding checks to determine that there are none which should be processed as uncurrent.

4 FAH-3 H-395.7-3 Retaining of Records

(TL:FMP-2; 4-30-95)

Form SF-1149, and all supporting documents, are retained by the post (not the cashier) for six years and seven months, in accordance with Treasury Department instructions. Where the post's record retention

schedule or storage space makes this impossible, Form SF-1149's are forwarded to a records center for retention for the required period.

4 FAH-3 H-395.8 Check Adjustments

(TL:FMP-2; 4-30-95)

See SPUM Appendix A Section 10 for detailed procedures on how to process:

- Voided checks;
- Undeliverable checks;
- Uncurrent checks;
- Cancellation of checks; and
- Replacement and substitute checks.

4 FAH-3 H-395.9 Change In Cashier

(TL:FMP-2; 4-30-95)

Whenever there is a change in the Class B cashier, and in order to establish definitely the accountability of each cashier, the outgoing cashier and the incoming cashier should obtain a bank statement showing the balance in the account, develop the list of outstanding checks, and reconcile the bank account.

4 FAH-3 H-396 COLLECTIONS

4 FAH-3 H-396.1 General Provisions

(TL:FMP-2; 4-30-95)

a. At overseas posts, Class B cashiers must accept all official collections. Subcashiers and alternate cashiers may perform only those collection activities authorized in writing by the FMO. The number of employees entrusted with this function must be kept to the minimum consistent with good administrative control. Procedures for the collection and handling of consular fees are found in SPUM Appendix A Section 6.1. Cashiers are responsible for the custody and safekeeping of all collections until they have been deposited by the cashier or remitted to the USDO, as applicable. (See 4 FAH-3 H-317 and 4 FAH-3 H-320 , and SPUM Appendix A Section 6.0.)

b. Cashiers are prohibited from holding and/or disbursing personal funds or personal checks of Embassy employees, contractors, official visitors, or anyone else for unauthorized purposes. (See 4 FAH-3 H-393.4-3 b.)

c. The provisions mentioned below (paragraphs d-g) apply to subcashiers and Class B cashiers. Subcashiers must turn over to Class B cashiers all collections and supporting documents at the close of each day or as soon as possible.

d. Cashiers are authorized to accept first party personal checks and first party travelers checks only if they are made payable to the "American Embassy", "Department of State", or "U.S. Treasury", and first party Treasury checks only if they are endorsed to one of the payees above. Cashiers are not authorized to accept any Treasury check presented for collection that is more than one year old. Cashiers are not authorized to accept any personal check presented for collection that is more than six months old.

e. Cashiers are not authorized to accept any third party checks, or checks payable to the name of the cashier or to cash.

f. Cashiers must immediately endorse all local currency and U.S. Dollar checks "for deposit only" and follow the USDO's instructions to deposit the checks or remit them to the USDO. (See 4 FAH-3 H-394.2-5 g and h, and SPUM Appendix A Section 7).

g. Collected funds including consular fees must always be kept physically separated from the cashier's operating cash advance. Separate Form OF-209, Accountability Records, must be maintained for the operating advance and for the collections, and separate verifications must be performed by verifying officers. (See 4 FAH-3 H-322.5-1).

4 FAH-3 H-396.2 Exchange Rate for Collections

(TL:FMP-2; 4-30-95)

With few exceptions, cashiers use the prevailing rate of exchange. This is the most favorable rate that would be available to the U. S. Government for the acquisition of foreign exchange for its official disbursements and accommodation exchange transactions. The USDO supplies this rate to the post, by telegram. If directed by the USDO, the cashier may obtain a daily rate from the bank. Class B cashiers are responsible for notifying alternate and subcashiers of the daily rate.

4 FAH-3 H-396.3 Types of Collections

4 FAH-3 H-396.3-1 Official Collections—General

(TL:FMP-2; 4-30-95)

Official collections are amounts received for credit to appropriation accounts (repayments, including refunds and reimbursements) or to general fund receipt accounts (payments for interest, services, etc., including consular fees).

4 FAH-3 H-396.3-2 Suspense Deposits Abroad (19X6809)

(TL:FMP-2; 4-30-95)

Suspense deposits abroad (SDA) are official collections which are received at Foreign Service posts for payments on behalf of and as directed by the depositors. The U.S. Government is responsible to each such depositor for ensuring that amounts received are appropriately disbursed and/or returned. SDA collections and corresponding payments or transfers to other collection funds are accounted for under fund symbol 19X6809 by a State cashier, or the equivalent symbol of the employing agency by a non-State cashier. SDA collections and payments are normally controlled by the State cashier and by fund symbol 19X6809. (See 4 FAH-3 H-396.3-4 and 4 FAH-3 H-320 .)

4 FAH-3 H-396.3-3 Suspense Account (—F3875)

(TL:FMP-2; 4-30-95)

When an official collection is received and the complete appropriation or account is not known, cashiers are to deposit the funds to the Suspense Account (—F3875) of the Department or Agency for which the collection was received. For proper credit, cashiers should request complete information from the accounting section of the Embassy or address a telegram to the Department, FMP/F/IFS. Agency representatives at the post should furnish complete accounting data to be credited for collections received for their agencies.

4 FAH-3 H-396.4 Recording Collections

4 FAH-3 H-396.4-1 All Collections Except Consular Fees

(TL:FMP-2; 4-30-95)

Form OF-158, General Receipt, is used to record all collections. It also serves as a receipt for the person from whom the money is received. Form OF-158 must be issued at the time the transaction occurs. The preparation and distribution of Form OF-158 is illustrated in the SPUM Appendix A Section 6.

4 FAH-3 H-396.4-2 Consular Fee Collections

(TL:FMP-2; 4-30-95)

The recording of consular fee collections is described in 7 FAM 000 Appendix B, 4 FAH-3 H-320 and the SPUM Appendix A Section 6. Posts are authorized to implement these instructions but not to establish their own. Form OF-158 will be issued by the Class B Cashier for all consular collections received from the consular cashier.

4 FAH-3 H-396.4-3 Consolidated Record of Collections

(TL:FMP-2; 4-30-95)

Form OF-209, Accountability Record, is used by the cashier to maintain consolidated control of all collections received by the cashier and by the subcashier(s). All official collection amounts are recorded daily on Form OF-209 headed "Official Collections." Authorized costs which are deductible from certain collections, such as payments for advertising, may be recorded on Form OF-209 or on the collection document as a deduction. The preparation and maintenance of Form OF-209 for official collections is illustrated in the SPUM Appendix A Section 11.0. The accounting for the cashier's operating cash advance and the cashier's collections are recorded on separate Form OF-209's, if required, in accordance with 4 FAH-3 H-394.1-1 b.

4 FAH-3 H-396.5 Disposition of Official Collections

(TL:FMP-2; 4-30-95)

a. All official collections must be credited to USDO accounts which are noted on Form OF-158 for each collection.

b. Collections may not be used for payments (except in limited specific situations such as paying advertising expenses from the proceeds of sale).

c. Cashiers will dispose of collections in one of the following ways:

(1) Deposit collections to the account of the USDO (local currency) or a Treasury General Account (TGA) (for dollars) or transmit them to the USDO for deposit. In the latter case, currency itself should not be shipped.

(2) Utilize collections to "cash" replenishment checks, after the collections have been properly reflected in the cashier's accountability. The replenishment checks are then endorsed and deposited.

(3) Reduce the amount of the requested cashier replenishment. The reduction must be shown in detail, and referenced to Form OF-158 receipts concerned. (See SPUM Appendix A Section 7.4.)

(4) In cases where local currency collections are in excess of cash disbursement requirements (collections exceed amounts which can be used to cash replenishment checks) and local regulations do not permit the deposit of the excess local currency to a USDO account, request guidance from FMP/F/IFS.

(5) In cases where US currency collections are in excess of operating cash requirements (collections exceed amounts which can be used to cash replenishment checks), and local financial institutions will not sell U.S. dollar money orders or the equivalent U.S. currency, request guidance from FMP/F/IFS and the servicing USDO. Do not ship U.S. currency by mail or pouch without specific guidance and clearance from FMP/F/IFS.

c. Collections must be deposited by means of one of the above methods on a daily basis if the collected amount is \$5,000 or more. Collections of less than \$5,000 may be accumulated and deposited when the total reaches \$5,000. Deposits must be made by Friday or the last workday of each week, regardless of the amount accumulated. Detailed instructions and procedures concerning the disposition of collections at post are contained in the SPUM Appendix A Section 6.0. Instructions for domestic cashiers may be found in the Treasury Cashiers Manual.

4 FAH-3 H-396.6 Special Requirements for Suspense Deposits Abroad

(TL:FMP-2; 4-30-95)

Suspense deposits abroad (SDA) are received from individuals for specified payments on their behalf. The monies received are recorded and deposited or remitted in the same manner as other official collections. When payments are made as requested by the depositor, the amounts are paid in the same manner as other official payments. For a cashier operation, this requires that when SDA monies are received, they are collected on Form OF-158 receipts and recorded as collections on the official collections Form OF-209 with the monies deposited or remitted accordingly. The payments against the SDA deposits are not paid from the collected monies themselves but from the cashier's operating cash advance against a subvoucher or certified voucher chargeable to 19X6809. If the payment is for credit to another U.S. Government fund account, a cashier may prepare or request the certifying officer to prepare Form SF-1081, Voucher For Transfers Between Appropriations And/Or Funds, to transfer funds from the SDA fund 19X6809 to the fund account to which the amount should be paid for credit on behalf of the depositor. For full details of SDA

transactions and for the additional control record to be maintained for SDA collections and payments, see 4 FAH-3 H-320 and the SPUM Appendix A Section 9.0.

4 FAH-3 H-397 CONTROL OF FUNDS

4 FAH-3 H-397.1 Class B Cashier

4 FAH-3 H-397.1-1 Reconciliation of Funds

(TL:FMP-2; 4-30-95)

a. Operating Advance—The Class B Cashier reconciles separately the operating cash advance and the collections on a daily basis, if possible, but not less frequently than once a week. The operating cash advance reconciliation consists of actual physical count of all cash on hand and of ensuring that all cash advances to subcashiers, cash expenditures, and accommodation exchange transactions are properly documented. The advance is in balance when the total of these documents, the amounts of any replenishment vouchers in transit, and the cash on hand equal the amount of the operating cash advance. The cash on hand must equal the balance shown for each type of currency on Form OF-209.

b. Collections—The collections reconciliation consists of the actual physical count of all collections cash on hand, and the totaling of receipts documented on official collection Form OF-158. The cash and accounts are in balance when the cash, and/or bank deposit slips in lieu thereof, equal the total of all receipt documents (Form OF-158), and the cash equals the balances on Form OF-209 maintained for official collections. When reconciled, the balances on Form OF-209 are initialed by the cashier.

c. Accountability with USDO—Cashiers and verifying officers will use Form RAMC/FMC-365 Cashier's Reconciliation Statement when reconciling their accountability. An alternate form is not authorized. (Form RAMC/FMC 365 may be reproduced on personal computer software.) Instructions for the use of Form RAMC/FMC 365 are found in SPUM Appendix A Section 11.0. Domestic cashiers will reconcile their accountability monthly.

d. Cashiers must retain copies of reconciliations for the current fiscal year and 6 months of the previous fiscal year.

4 FAH-3 H-397.1-2 Verification of Funds—General Provisions

(TL:FMP-17; 05-05-2003)

a. As part of the basic supervisory responsibility to assure protection of U.S. funds (4 FAH-3 H-312 (5)), the immediate supervisor of the cashier is responsible for making unannounced verifications of each cashier fund at least once a month. For the purposes of this verification, the immediate supervisor at post is the FMO, or where none is assigned, the **management officer**, the principal officer or the principal officer's written designee. Domestically, verifications will be performed by the cashier's immediate supervisor.

b. The number of such verifications per month may vary from location to location depending upon the experience of the cashier, the complexity of the cashier operation, the length of time the immediate supervisor has served at the location, etc.

c. This paragraph refers to overseas posts. The verification takes place in the presence of the cashier. The verifying officer must completely document, sign and date each verification and ensure it is also signed by the cashier and all others involved. The verifying officer must give the cashier a copy of each verification and all supporting documents, including Form FMC-99 and the verification checklist shown in SPUM Appendix A, Section 12.0. The verifying officer must send a copy of the verification checklist to the servicing USDO, and retain copies in the post's files of each verification and supporting documents for thirty-six months. FMP/F/IFS has the authority to discontinue cashier operations at any overseas location where the cashier supervisor does not submit verifications in accordance with this paragraph.

d. This paragraph refers to domestic cashier operations. The verification takes place in the presence of the cashier. The verifying officer must completely document, sign and date each verification and ensure it is also signed by the cashier and all others involved. The verifying officer must give the cashier a copy of each verification and all supporting documents. The verifying officer must send copies of each verification and all supporting documents to FMP/F/DFS/DFMO. They must maintain a tracking system to monitor the required verifications. FMP/F/DFS/DFMO has the authority to discontinue cashier operations at any domestic locations where the cashier supervisor does not conduct and submit verifications as prescribed in this paragraph.

e. A verification of funds by a FMO upon visiting a fiscal-serviced post, or a special verification by a State Department Inspector General representative, will satisfy the requirements of this section. A visiting official's verification may not serve in lieu of an unannounced verification by a cashier's immediate supervisor for more than two months in succession.

f. Detailed guidance for overseas posts for the performance of unannounced verifications is found in SPUM Appendix A Section 12.

4 FAH-3 H-397.1-3 Verification of Funds—Operating Cash Advance

(TL:FMP-2; 4-30-95)

a. The cashier operating cash advance is verified by actual count and review of the following items, to determine that the combined totals of the items equal the amount of the cash advance:

(1) Cash on hand, including uncashed replenishment checks.

(2) Paid receipts (subvouchers) on hand. The verifying officer must confirm that each paid receipt held by the cashier:

—properly describes the goods and services purchased and is properly supported by appropriate receipts;

—documents that the goods and services have been received;

—is approved for payment by an official who has approval authority;

is dated subsequent to the date of the latest voucher submitted for replenishment; and

—is sequentially numbered starting with the numbers on the latest voucher submitted for replenishment.

Any receipt that does not meet all of the above requirements, or that cannot be resolved at the time of the verification, must be individually listed on the verification form and included in the accountability of the fund but listed as “suspended.” The verifying officer must include a photocopy of the suspended paid receipt with the report of verification. Examples are receipts without adequate description of the goods or services purchased, receipts without evidence that the goods or services were received, or receipts paid prior to the date of the latest voucher submitted for replenishment.

(3) Copies of all documents sent to the Authorized Certifying Officer for certification and replenishment that have not been processed and have not been credited to the cashier’s accountability (in transit items sent to the servicing USDO for which replenishment or acknowledgment has not been received). Overseas, the verifying officer must independently verify the amounts on these documents, by requesting the Authorized Certifying Officer to confirm them against the certified originals. The cashier supervisor must then follow up each of these in transit documents identified

during the unannounced verification to confirm that they were processed by the USDO and entered in the cashier's accountability reports.

(4) Checking account balance, if applicable.

(5) Interim Receipts for advances to subcashier(s) and alternate cashier(s).

(6) Amount(s) listed as disbursed for accommodation exchange since the last replenishment voucher was submitted. (This amount must be offset by an equal or equivalent amount in checks and/or deposit slips on hand which are to be transmitted to the USDO and which are not a part of the operating cash advance).

(7) Interim receipts for cash to others. The verifying officer must confirm that each interim receipt held by the cashier:

—properly describes the purpose of the interim advance;

—is approved by an official who has approval authority; and

—is dated subsequent to the date of the latest voucher submitted for replacement.

Any receipt that does not meet all of the above requirements or that cannot be resolved at the time of the verification must be individually listed on the verification form and included in the accountability of the fund but listed as "suspended." The verifying officer must include a photocopy of the suspended interim receipt with the report of verification. Examples are interim receipts without adequate description of the purpose, without the required approval, and dated more than five (5) working days prior to the verification.

(8) Payroll cash and related receipts totaling the full amount obtained by the cashier, if applicable.

(9) Travelers checks and related accountability, if the cashier is authorized to issue them.

b. Receipts for payments, checks for accommodation exchange and any in transit items over 30 days old are to be explained to the satisfaction of the verifying officer.

4 FAH-3 H-397.1-4 Verification of Funds—Official Collections

(TL:FMP-2; 4-30-95)

a. Official collections are verified by actual count of the cash on hand and determination that:

(1) All monies received have been officially receipted on Form OF-158 and documented on Form OF-209 maintained for official collections;

(2) The amount of cash on hand equals the balance(s) shown as collections on Form OF-209;

(3) All amounts reported on Form OF-209 as “Remitted to USDO” since the last cash count are supported by the copies of the remittance documents.

b. Official collections over one day old held by the cashier are to be explained to the satisfaction of the verifying officer. Treasury cash management regulations require the deposit of all collections in one day except as noted in 4 FAH-3 H-396 .

4 FAH-3 H-397.2 Subcashier

4 FAH-3 H-397.2-1 Designation

(TL:FMP-2; 4-30-95)

a. Overseas, the Financial Management Officer (or the supervisor of the class B cashier) designates a subcashier to the class B cashier. Domestically, FMP/F/DFS/FO designates subcashiers.

b. The designation letter addressed to the subcashier states the authorized advance amount and specifies the types and limits of transactions which the subcashier may perform such as petty cash payments for general services up to \$500 per transaction. A copy of the letter is filed in the Class B cashier file.

4 FAH-3 H-397.2-2 Reconciliation of Funds

(TL:FMP-2; 4-30-95)

a. The subcashier reconciles the operating cash advance daily, if possible, but not less than once a week. The reconciliation consists of actual physical count of all cash on hand and ensuring that all cash expenditure transactions are properly documented. The advance is reconciled when the receipts and cash on hand equal the amount of the operating cash advance.

b. The subcashier reconciles collections with the supporting documents each day immediately prior to turning any collections over to the cashier.

4 FAH-3 H-397.2-3 Verification of Funds

(TL:FMP-2; 4-30-95)

a. An unannounced verification of the subcashier funds is required at least once a month regardless of the amount of the advance.

b. The financial management officer must designate as a verifier an employee adequately trained in cashier operations to insure that verification standards are carried.

4 FAH-3 H-397.3 Differences and Discrepancies in Cashier Funds and Records

(TL:FMP-17; 05-05-2003)

a. Action by the Cashier. If an unreconcilable cash difference is discovered by the cashier during a normal daily reconciliation of funds and records, the cashier notifies their supervisor and acknowledges the difference in writing. (A subcashier discovering an unreconcilable difference notifies their supervisor and the Class B cashier, and acknowledges the difference in writing.) This documentation and the amount of the discrepancy is carried as part of the fund until resolved.

b. Action by the verifying officer. If an unreconcilable difference is discovered during verification, the verifying officer immediately sends a report to the financial management officer or **management officer** at the post, or to the executive director of the domestic bureau or office, and to the cashier if the subcashier's fund is in question, with a request for assistance to resolve the difference, if required.

c. Action by the Financial Management Officer or **Management Officer**.

(1) The difference or problem is reported to the Post or Regional Security Officer, who may need to take immediate action to secure the cashier's office, impound the fund and documents, and arrange for a complete audit of the fund.

(2) If the difference or problem reported by the cashier or the verifying officer is not resolved within 24 hours, the **management officer** sends a report through the principal officer to the Department (FMP/F/IFS) in the format shown in the SPUM Appendix A Section 18.1 and 3 FAM 4110. A domestic executive director sends a similar report to FMP/F/DFS/DFMO for

an unresolved domestic cashier difference. (See also Disbursing User Manual 2.12.3, and 4 FAH-3 H-316). Copies of the report are sent to the security office and the servicing USDO. If there is indication of malfeasance or fraud, the **management officer** must also report by cable the shortage to the Office of Inspector General using the OIG Channel.

d. Until any difference is resolved, it must be reflected on all reconciliation and accountability reports. Under conditions where resolution of an irregularity may be lengthy due to the investigation, the amount of the loss may be transferred by journal voucher from the current cashier accountability to the USDO "loss-relief not granted" account. USDOs should refer to the FMS Disbursing User Manual Section 2.0 for specific instructions on accounting for unresolved losses, and notify FMP/F/IFS, the post or bureau of any action required to adjust accounts.

4 FAH-3 H-397.4 Decisions Required to Resolve Shortages

4 FAH-3 H-397.4-1 Shortages Under \$500

(TL:FMP-17; 05-05-2003)

a. The principal officer or executive director may determine in writing that the cashier (or other accountable officer) must make restitution for the shortage.

(1) The cashier has the right to appeal the decision to require restitution, and may present the case to FMP/F/IFS for resolution by the Committee for Inquiry into Fiscal Irregularities. (See 3 FAM 4110 and 4 FAH-3 H-490).

(2) The Committee's decision is transmitted by FMP/F/IFS, which instructs the post or bureau whether to obtain restitution (See 4 FAH-3 H-397.5-1) or to grant relief (See 4 FAH-3 H-397.5-2).

b. Upon the recommendation of an **management officer**, the principal officer of a post or a bureau executive director may determine that the loss or deficiency occurred while the cashier was acting in the discharge of official duties, the deficiency occurred without negligence or fraud on the cashier's part 4 FAH-3 H-316), and relief should be granted. (See 4 FAH-3 H-397.5-2.)

4 FAH-3 H-397.4-2 Shortage of at least \$500 and less than \$3,000

(TL:FMP-2; 4-30-95)

a. The principal officer or executive director submits a report of the shortage to FMP/F/IFS with the details required in 3 FAM 4110 and

recommendation for consideration by the Committee. For domestic shortages, a copy must also be sent to FMP/F/DFS/DFMO.

(1) The recommendation may be to require restitution from the cashier. The Committee may concur with the recommendation, or may decide to grant relief.

(2) The recommendation may be to grant relief for the cashier. The Committee may concur with the recommendation, or may decide to deny relief and require restitution from the cashier.

b. FMP/F/IFS transmits the Committee's decision to the post or bureau for action.

4 FAH-3 H-397.4-3 Shortage over \$3,000

(TL:FMP-2; 4-30-95)

a. The principal officer or executive director submits a report of the shortage to FMP/F/IFS with details of the shortage required by 3 FAM 4110 and a recommendation for consideration by the Committee. For domestic shortages, a copy must be sent to FMP/F/DFS/DFMO.

(1) The recommendation may be to require restitution from the cashier. The Committee may concur with the recommendation, or may decide to request relief from the General Accounting Office (GAO).

(2) The recommendation may be to request relief for the cashier. The Committee may concur with the request and decide to request relief from the GAO, or may decide to deny relief and require restitution from the cashier.

b. FMP/F/IFS transmits the decision of the Committee or GAO to the post or bureau for action.

4 FAH-3 H-397.5 Restoration of Shortages

4 FAH-3 H-397.5-1 Restitution From the Cashier

(TL:FMP-17; 05-05-2003)

Regardless of the amount, when the cashier has made restitution by restoring funds to the advance, the **management officer** or designated person completes a verification of the fund to confirm it is balanced. The cashier and the verifying officer sign the record of the verification. The **management officer** acknowledges by memorandum to the cashier that restitution was made, and the cashier's written acknowledgment of the shortage (4 FAH-3 H-397.3 a) is removed from the accountability records and returned to the cashier. A report of the shortage and restitution, with a

copy of the signed verification and the acknowledgement of the restitution, is sent to FMP/F/IFS (to FMP/F/DFS/DFMO for domestic cashiers). Copies of all documents pertaining to the shortage and restitution are retained in the cashier and post files (See 4 FAH-3 H-393.2-6).

4 FAH-3 H-397.5-2 Restoration From Granting of Relief

(TL:FMP-17; 05-05-2003)

a. When properly granted by the post, the Committee of Inquiry into Fiscal Irregularities, or GAO, relief is provided by charging the post allotment to obtain the funds necessary to make up the shortage. A voucher is prepared:

—Referencing the decision of the **management officer**, the Committee or the GAO to grant relief;

—Authorizing a check payable to the cashier for the amount of the shortage to be replaced; and

—Charging the post or bureau S&E allotment.

b. The cashier acknowledges relief by written memorandum stating that the check was received, and adds the check to fund accountability or cashes the check and adds the currency to the accountability. The **management officer**, executive director, or a designated verifying officer performs a normal verification to confirm that the fund is again in balance. The verification forms are signed by the cashier and the verifying officer. Copies of the verification forms and a copy of the cashier's acknowledgement of relief are sent to the servicing USDO and to FMP/F/IFS (to FMP/F/DFS/DFMO for domestic cashiers). Copies of all documents pertaining to the shortage and relief are retained in the cashier and post files (See 4 FAH-3 H-393.2-6).

4 FAH-3 H-397.6 Overages

(TL:FMP-17; 05-05-2003)

Overages are considered an irregularity with the same requirements as shortages for investigation and reporting (4 FAH-3 H-397.3), including referring as necessary to the Committee of Inquiry into Fiscal Irregularities and the Office of Inspector General. If the result of these procedures is a decision to return the overage to the Treasury, the financial management officer or **management officer** instructs the cashier to deposit the overage. The cashier prepares Form OF-158 which shows receipt of the overage amount from the cashier, identifies it as the deposit of an overage in accordance with the instruction to the cashier, with an accounting classification showing a credit to the Treasury Miscellaneous Fund "1060—

Forfeitures of Unclaimed Money and Property (Department of State).” Since the cashier is both the source and the receiver of the overage on Form OF-158, the financial management officer or **management officer** also signs Form OF-158 as “Approved.” A report of the overage, with copies of the **management officer’s** instruction and Form OF-158, is sent to FMP/F/IFS (to FMP/F/DFS/DFMO for domestic cashiers) with any additional documentation not previously sent to that office. Copies are retained in the cashier and post files (4 FAH-3 H-393.2-6).

4 FAH-3 H-398 CHANGE IN CASHIERS

4 FAH-3 H-398.1 Class B Cashier

4 FAH-3 H-398.1-1 Temporary Absence

(TL:FMP-2; 4-30-95)

a. A nominal advance is issued by the principal cashier to the alternate cashier and is properly safeguarded by the latter at all times for use during unanticipated brief absences of the Class B Cashier. For a planned temporary absence of less than 20 work days, the Class B Cashier issues an additional temporary advance to the alternate in an amount estimated to be sufficient for continuous cashier operations during the Class B cashier’s absence. A receipt for each such advance is obtained from the alternate and retained by the Class B cashier as cash on hand.

b. During the Class B Cashier’s absences of short duration (less than 20 workdays), accountability is not changed and the alternate cashier assumes responsibility for collections and disbursements on behalf of the Class B cashier. Any forms requesting replenishment or remitting collections which are submitted during the absences are prepared in the name of the Class B Cashier, above the signature and typed name of the alternate. Checks issued as replenishment are drawn in the name of the Class B Cashier and are held by the alternate for return of the Class B cashier. Upon return and after accountability for all funds collected and disbursed by the alternate has been verified, the Class B Cashier reclaims all but the alternate’s nominal advance and returns the temporary advance receipt to the alternate cashier.

c. For a planned temporary absence in excess of 20 workdays, the Class B Cashier transfers all monies on hand to the alternate, including uncashed advance and replenishment checks which had previously been issued in the Class B cashier’s name. Any checks are endorsed by the Class B cashier as payable to the alternate. The Class B cashier must prepare a replenishment voucher for all of the unvouchered receipts on hand before transferring the fund to the alternate cashier.

d. Detailed procedures for the responsible individuals are found in the cashier section of SPUM Appendix A Section 3.0. Domestically, FMP/F/DFS/DFMO must be consulted for direction and procedures.

4 FAH-3 H-398.1-2 Indefinite or Permanent Change

(TL:FMP-17; 05-05-2003)

a. Action by Fiscal-Servicing Post. The FMO at a fiscal-serviced post notifies the FMO, administrative, or principal officer, at the fiscal-servicing post when any indefinite or permanent change is required in the Class B or alternate cashier. The servicing post FMO submits a memorandum to the FMO files, which will include the following information: the name of the outgoing cashier, location of post, effective date, any outstanding discrepancies, and, if determined, the name of a replacement Class B cashier or alternate cashier. The processing for the designation of a replacement cashier is the same as for an initial designation described in 4 FAH-3 H-393.2 .

b. Action by Post or Domestic Location.

(1) Upon cessation of duties of a Class B Cashier, the **management officer** or the principal officer of the post or the senior supervisory person at a domestic location designates in writing two objective employees to verify the cashier's funds. Overseas, one person must be an American Officer from the Budget and Management/Fiscal section or otherwise trained in cashier operations. Domestically, one person must be from FMP/F/DFS/DFMO or have the concurrence of that office. All of the verification requirements of 4 FAH-3 H-397 must be performed and documented.

(2) If a cashier checking account is maintained at the post, the principal officer informs the bank in writing of the change in personnel authorized to draw on the account.

c. Action by Outgoing Cashier. Detailed procedures are enumerated in SPUM Appendix A Section 14.0 for overseas locations. Domestically, FMP/F/DFS/DFMO must be consulted for direction and procedures.

d. Action by Verifying Officers. The verifying officers verify all funds. If differences are discovered, a report must be made to the FMO and others in accordance with 4 FAH-3 H-397.3 .

e. Action by Incoming Class B Cashier. Detailed procedures are enumerated in SPUM Appendix A Section 3.0 for overseas operations. Domestically, FMP/F/DFS/DFMO must be consulted for direction and procedures.

4 FAH-3 H-398.1-3 New Class B Cashier Not Yet Designated

(TL:FMP-2; 4-30-95)

When a new Class B Cashier has not yet been designated, and the current cashier must leave the post, the procedure in 4 FAH-3 H-398.1-1 is followed to transfer the funds and records to the alternate cashier.

4 FAH-3 H-398.1-4 Death, Disablement or Disappearance of a Class B Cashier

(TL:FMP-17; 05-05-2003)

a. When a cashier's account requires closing by another person, due to the death, disablement or disappearance of the cashier, a verifying officer and at least one witness must perform a complete audit of the fund in accordance with 4 FAH-3 H-397.1-2 and either turn the fund over to a designated alternate or return the fund to the USDO if overseas and to the bureau if domestic. The final reports of the transfer are prepared by the designated alternate, FMO, **management officer**, or principal officer, as available. The reports include an explanation for closing the accounts and are signed by the officer who prepares and submits them in the name of the cashier, with both names and titles shown on the reports. Uncashed replenishment checks will be processed for cancellation in accordance with SPUM Appendix A Section 10.1. The cashier's account must be verified in accordance with 4 FAH-3 H-397 and, in the case of the disappearance of a cashier, the cashier's supervisor must comply with 4 FAH-3 H-397.3 b.

b. When the cashier disappears, takes a non-cashier job, or leaves the government service, and there is an unresolved loss or shortage, the FMO, **management officer** or principal officer, prepares a memorandum for the post file which documents the following: name of the employee, date of disappearance or termination from the position in which funds shortage occurred, amount of loss, and efforts made to obtain restitution, and present status of the loss after the actions taken in accordance with 4 FAH-3 H-397.3 b.

c. Differences in cashier accountability must be reported pursuant to 4 FAH-3 H-397.4-2 and 3 FAM 4110, and documentation for any possible money owed the government by a departing cashier should be sent to the post accounting section to set up a formal claim. This claim should be reviewed during the final salary clearance process for the departing cashier.

4 FAH-3 H-398.2 Subcashier

4 FAH-3 H-398.2-1 Temporary Absence

(TL:FMP-2; 4-30-95)

The cash advance of a subcashier may, in turn, be advanced to an alternate in the situation of a planned absence on the part of the subcashier. Petty cash payments or change-making may be made from the advance during the subcashier's absence, but only as authorized in the alternate's official designation. The alternate subcashier must ensure that the funds for which the subcashier is responsible are properly safeguarded during any absence.

4 FAH-3 H-398.2-2 Indefinite or Permanent Change

(TL:FMP-2; 4-30-95)

When a subcashier ceases to function, the following operations are performed:

(1) Action by the **management officer**. The **management officer** notifies the FMO at the fiscal-servicing post (FMP/F/DFS/DFMO domestically) and the Class B Cashier who made the cash advance, of the date the subcashier will cease to function and, if the subcashier operation is to continue at the location, the name of the successor.

(2) Action by the Outgoing Subcashier. The outgoing subcashier:

—Reconciles the operating cash advance account;

—Determines that all collections have been delivered to the Class B Cashier;

—Submits the final Operating Cash Advance and Replenishment Voucher, or list of receipts, marked "FINAL", to the Class B Cashier;

—Delivers the balance of cash on hand to the Class B Cashier; and

—Retrieves the original operating cash advance receipt from the Class B Cashier.

(3) Action by the Class B Cashier. The Class B Cashier, in the presence of the subcashier, verifies all accounts and funds submitted by the outgoing subcashier. If differences are discovered, they are acknowledged by the outgoing subcashier in writing, and reported to the FMO or the principal authorized certifying officer (FMP/F/DFS/DFMO domestically) for action (see 4 FAH-3 H-397.) Differences in cashier accountability must be reported pursuant to 3 FAM 4110, and documentation for any possible money owed the government by a departing subcashier

immediately be sent to the post accounting section to set up a formal claim. This claim should be reviewed during the final salary clearance process for

the departing subcashier. An advance of funds is made to a new subcashier, if named (see 4 FAH-3 H-393.4-5 c).

4 FAH-3 H-398.2-3 Death, Disablement, or Disappearance of Subcashier

(TL:FMP-17; 05-05-2003)

a. When a subcashier's account requires closing by another person due to the death, disablement or disappearance of the subcashier, a verifying officer and at least one witness must do a complete audit of the fund in accordance with 4 FAH-3 H-397.2 and either turn the fund over to a designated alternate or return the fund to the servicing Class B Cashier. The final reports are prepared by the designated alternate, FMO, **management officer** or principal officer, as available, and by FMP/F/DFS/DFMO for domestic subcashiers. The reports include an explanation for closing the accounts and are signed by the officer who prepares and submits them in the name of the subcashier, with both names and titles shown on the reports.

b. When a subcashier disappears, takes a non-cashier job, or leaves the government service, and there is an unresolved loss or shortage, the FMO, **management officer** or principal officer, as available, takes the same actions outlined for a Class B Cashier in 4 FAH-3 H-398.1-4 b.

4 FAH-3 H-399 SPECIAL CASHIER PROVISIONS

4 FAH-3 H-399.1 Subcashiers of Other Agencies

4 FAH-3 H-399.1-1 Responsibilities

(TL:FMP-2; 4-30-95)

At posts where the cashier transactions of an agency other than the Department of State are few, a request may be made by a representative of the agency to have an agency employee designated as a subcashier to the State Class B cashier. A subcashier of an agency other than the Department of State must be a direct hire employee of that agency unless the agency has Treasury Department authority to designate a personal services contractor. The subcashier of an agency other than the Department of State is an accountable officer.

4 FAH-3 H-399.1-2 Designations

(TL:FMP-17; 05-05-2003)

a. A request for designation is submitted by the other agency with full justification to the FMO or the Class B cashier's supervisor at the post. The requested designation must be approved by the subcashier's employing agency in accordance with that agency's regulations for designation of subcashiers. The request must include the name and title of the State Class B cashier who is to issue the advance, the amount of operating cash advance and type of currency requested. Prior to submission to the FMO, the request must have the written approval of:

—The State Class B cashier who is to issue the advance;

—The subcashier agency's administrative, executive, or principal officer at the post; and

—The State **management officer** or, if none, the principal officer of the same post.

b. Copies of the request letter approved by the other agency, and the designation letter approved by the FMO, are retained by the State Class B cashier, the designated subcashier, and in the FMO files at the fiscal-servicing post.

4 FAH-3 H-399.1-3 Advances of Funds

(TL:FMP-2; 4-30-95)

The representative of the requesting agency determines the amount of operating cash advance, and changes thereto, to be made to the agency subcashier. The original cash advance to the subcashier, and replenishment of the advance, is made in the same manner as for the State

cashier (4 FAH-3 H-394.3 b), except that the State Class B cashier requests replenishment under a separate voucher citing the other agency appropriation(s) chargeable.

4 FAH-3 H-399.1-4 Limitations

(TL:FMP-2; 4-30-95)

The subcashier of an agency other than the State Department, as defined in this subsection, may not perform accommodation exchange or receive official collections unless so indicated in the subcashier's official letter of designation from the FMO at the fiscal-servicing post.

4 FAH-3 H-399.1-5 Employing Agency Accounts

(TL:FMP-2; 4-30-95)

Accounts are rendered to the employing agency in the same manner as prescribed for State cashiers. Normally Form OF-1129 or Form OF-205, Statement of Operating Cash Advance and Replenishment Voucher, is used for this purpose. The employing agency is notified when the State Class B cashier is replaced by another State employee who is to issue the advance to the subcashier.

4 FAH-3 H-399.1-6 Reconciliation and Verification of Funds

(TL:FMP-2; 4-30-95)

The requirements in 4 FAH-3 H-390 are applicable to all subcashiers of State Department cashiers, regardless of agency affiliation, unless indicated otherwise in this subsection. Any questions, differences or discrepancies concerning the funds advanced to a subcashier are the responsibility of the employing agency of the subcashier, and any communications regarding such are addressed by the FMO of the fiscal-servicing post to the employing agency. Department of State officials, including representatives of the Office of Inspector General, have authority to verify and audit these funds.

4 FAH-3 H-399.1-7 Cashier Files

(TL:FMP-2; 4-30-95)

The servicing USDO maintains files on cashiers of other agencies in the same manner as prescribed for State cashiers 4 FAH-3 H-393.2-5 .

4 FAH-3 H-399.2 Mutilated, Worn, and Old Currency

4 FAH-3 H-399.2-1 U.S. Currency

(TL:FMP-2; 4-30-95)

a. Cashiers should make it a point not to accept damaged U.S. currency for accommodation exchange, official collections, etc. If, in spite of this direction, a cashier holds mutilated U.S. currency, the currency should be sent by registered pouch, or certified or registered mail if APO is available, to the following address:

Department of Treasury
Bureau of Engraving and Printing
OCS/BEPA, Room 344
P. O. Box 37048
Washington, D.C. 20013

b. Black and white photocopies of the currency are permissible for the cashier's backup only when the currency will be sent to Treasury. The reproductions must be larger than one and one-half times or smaller than three-quarters of the size.

c. The correspondence transmitting the mutilated currency should contain the serial number(s), denomination(s), total amount, etc. for identification purposes. A copy of the document should be witnessed by two American officers when the envelope is sealed, attesting that the envelope contained the currency.

d. The post should request restitution in the form of a Treasury check, to be made payable to the post cashier. Mailing instructions should be indicated to include the name and mailing address of the cashier (either pouch or APO).

e. All correspondence, photocopies and mail registry receipts should be retained by the post cashier.

4 FAH-3 H-399.2-2 Foreign Currency

(TL:FMP-2; 4-30-95)

a. Cashiers are required to take every possible precaution to prevent acceptance of mutilated foreign currency as a collection, payment to post or exchange transaction. Any foreign currency that is badly soiled, marked up or torn should be refused.

b. In the event that a cashier is holding mutilated foreign currency, every effort must be made to replace it through local banks or the host country central bank.

c. Should these efforts fail, post management must investigate the circumstances to determine if there was fraud or negligence by the cashier (or other individual) who accepted the mutilated currency. If negligence (carelessness) is determined, the individual who accepted the mutilated currency must personally make restitution. Information regarding possible fraud should be referred to the Office of Inspector General.

d. If not resolved in the manner prescribed above, post management must prepare a detailed report of all relevant evidence and circumstances and send the report to FMP/F/IFS, for the Committee for Inquiry into Fiscal Irregularities. The report should also be sent to the servicing USDO and to the embassy if it is from a constituent post. FMP/F/IFS will notify the post of the decision of the Committee.

4 FAH-3 H-399.3 Counterfeit Currency

4 FAH-3 H-399.3-1 Fiscal Irregularity From Acceptance

(TL:FMP-2; 4-30-95)

If a cashier or other accountable employee discovers after the fact that a counterfeit instrument has been taken in, this constitutes a reportable fiscal irregularity under the provisions of 3 FAM 4110 and a shortage that must be reported under 4 FAH-3 H-397.3. Previous GAO decisions have determined that “A deficiency in an accountable officer’s account caused by the acceptance of a counterfeit note constitutes a physical loss for purposes of 31 U.S.C. 3528. This may or may not amount to negligence depending on the facts of the particular case, primarily whether the counterfeit was readily detectable.” It is important for cashiers and other accountable officers to “exercise the requisite degree of care” in steps taken to detect counterfeit currency.

4 FAH-3 H-399.3-2 Detection Before Acceptance

(TL:FMP-2; 4-30-95)

a. All cashiers who accept either U.S. or local currency have the responsibility of carefully examining the legitimacy of the currency. For U.S. currency, cashiers should be familiar with the booklet Know Your Money, which is available from the Government Printing Office. For local currency, the host government’s central bank should be contacted to determine if a similar publication exists.

b. Visual inspection. While many posts are extremely busy and take in great quantities of currency, bills should be looked at to see if the features are the correct ones for that denomination. (See Know Your Money.) Relief cannot be granted on the basis of “press of business.”

c. Machine verification. There is equipment available which may increase the possibility of detection. Posts should contact FMP/F/IFS for details if counterfeiting is suspected.

d. Training. The U. S. Secret Service is available to give training in the detection of counterfeit U.S. bills. Posts interested in organizing training during conferences or workshops should contact the Secret Service Office responsible for the post area. FMP/F/IFS can supply the location of the appropriate Secret Service office.

e. Log of higher-denomination bills. Posts may require cashiers to maintain a log of serial numbers, names and ID of individuals tendering bills of more than \$20, to assist in tracing the source if a counterfeit bill is received.

4 FAH-3 H-399.3-3 Detection of Suspected Counterfeit Dollar Currency After Acceptance By The Post

(TL:FMP-17; 05-05-2003)

a. If the post suspects that U.S. dollar currency is counterfeit, the currency should be forwarded, accompanied by a memorandum titled "Report on Counterfeit Money" to the U.S. Secret Service office responsible for the post to request determination of authenticity. The report should include the specifics of the bills enclosed, i.e., the denomination, check letter and quadrant number, face plate number, back plate number, series year, and in the case of federal reserve notes, the name of the issuing bank. If the bills were taken in by a constituent post, a copy of the report, including photocopies of the bills, should be sent to the embassy **management officer**. In either case, the reporting post should retain photocopies of the currency forwarded. (See 4 FAH-3 H-399.2-1 b for restrictions on photocopying bills.) A copy of the report must be kept with the cashier's funds in place of the currency forwarded.

b. If the currency and the report is sent by the cashier through the FMO, **management officer** or principal officer, the forwarding officer gives the cashier a receipt for the amount of the currency turned over by the cashier. A copy of this receipt remains a part of the cashier's accountability records until the money is returned confirmed as negotiable. If the money is not returned, the post must follow the procedure for the restoration or relief of a loss. (See 4 FAH-3 H-397.4.)

c. If the report is sent through the open mails, the envelope in which the report is sent should mention neither the Department of State nor the subject of the memorandum. If sent through the diplomatic pouch or the APO, it should be sent registered. Photocopies of both sides of the bill(s) should be retained at post for reference. The Secret Service will verify the currency's authenticity, and if it is determined to be counterfeit, will forward the post a receipt for the currency. A copy of this receipt is kept with the accountable officer's records to account for the currency. If the currency is authentic, it will be returned to the post. If it is determined to be not authentic, the post must initiate the process in 4 FAH-3 H-397.4 .

4 FAH-3 H-399.3-4 Detection of Counterfeit Dollar Currency by Local Bank

(TL:FMP-2; 4-30-95)

If, when depositing U.S. currency in a local USDO account, the bank detects the presence of counterfeit U.S. bills, the host country's regulations must be followed. This may involve turning the counterfeit currency over to the local authorities and obtaining a receipt in return. If the currency cannot be kept by the cashier, the report to the Secret Service described above should include a clear photograph of the note (front and back), (presuming that the bank allows post to take such action). Again, posts are cautioned to make photocopies of both sides of the bill for post records before turning it in to the authorities, if possible. (See 4 FAH-3 H-399.2-1 b.)

4 FAH-3 H-399.3-5 Detection of Suspected Counterfeit Local Currency

(TL:FMP-2; 4-30-95)

If the post suspects that local currency is counterfeit, host country regulations must be followed.

4 FAH-3 H-399.3-6 Request for Relief

(TL:FMP-2; 4-30-95)

a. Upon confirmation from the Secret Service or the host country government that currency is counterfeit, a request for relief for the accountable officer's loss must be submitted by the principal officer of the post or head of a bureau or office to the Committee of Inquiry Into Fiscal Irregularities in accordance with 3 FAM 4110. A request for relief will be considered only if the request provides evidence that the loss did not occur by reasons of either:

—Willful intent to defraud the Government; or

—Fault or negligence on the part of the cashier or supervisor.

b. Negligence with regard to counterfeit currency turns primarily on the question of whether or not the counterfeit was readily detectable. Previous GAO decisions have held that "...if the quality of the counterfeit is such that a prudent person in the same situation would question the authenticity of the bill, relief should not be granted. Also, failure to check a bill against a posted list of serial numbers will generally be viewed as negligence. Finally, failure to follow regulations is negligence."

c. The post report to the Committee must include a receipt for the counterfeit currency note. If the bill was submitted to the Secret Service,

the receipt must be the receipt provided by the Secret Service. If the counterfeit was discovered upon being deposited in a bank and the bank has held the counterfeit because of the local laws, the official receipt from the bank, including a statement that the currency is being held because of local laws, must be submitted. The post should include a photocopy of the counterfeit bill(s) in its report to allow the Committee to verify the quality of the counterfeit bill(s). Upon submission of the necessary papers, the request for relief will be taken up by the Committee, or by the General Accounting Office if the loss is over \$3000 and the Committee decides to refer it the GAO. The Committee or the GAO then sends a decision to the post. If relief is denied, the accountable officer will be held responsible for making good the loss.

4 FAH-3 H-399.4 Cashier Services

4 FAH-3 H-399.4-1 Banking Services

(TL:FMP-2; 4-30-95)

Post cashiers are not expected to provide full banking services. Because of limited personnel resources available to function as cashiers, and the many controls, operational and reconciliation duties they are required to perform, cashiers generally have limited time available to provide conveniences over and above required services.

4 FAH-3 H-399.4-2 Post Policy

(TL:FMP-2; 4-30-95)

In light of this, posts should establish hours of operation and document individual post policies regarding cashier services, which are commensurate with cashier availability and accountability. The following should be addressed in the post policy:

(1) Curtail accommodation exchange for second and third party checks including manufacturers' rebate and refund checks. The post should require post personnel to have these types of checks deposited directly into their U.S. bank accounts.

(2) Curtail accommodation exchange for small amounts, for example under \$50. At posts where it is difficult to procure U.S. currency, limitations on cash amounts may be established for accommodation exchange, travel advances and other payments.

(3) Curtail or suspend accommodation exchange privileges for an individual whose personal checks are cashed by the cashier, rejected by the bank and returned to the cashier for collection by the cashier. Until the individual repays the amount of a rejected check with cash or an

acceptable check, the individual is a debtor of the Government and the cashier and servicing USDO are accountable for the funds until collected (4 FAH-3 H-493.2 (6)). If the USDO instructs the cashier to suspend accommodation exchange privileges for the individual because of returned checks, the post may request a reinstatement of privileges from the USDO, with a description of extenuating circumstances and the actions to be taken at the post to prevent further rejections. The USDO has the authority to decide if privileges will be reinstated and under what circumstances.

(4) Regarding reverse accommodation exchange for the proceeds of sales of employees' personal property before departure from post, see 4 FAH-3 H-396.1 b and 4 FAH-3 H-368 .

4 FAH-3 H-399.5 Travelers Checks

(TL:FMP-17; 05-05-2003)

a. All State Department cashiers are prohibited from selling travelers checks to anyone for their personal use.

b. Class B cashiers are not authorized to stock or sell travelers checks, unless authorized by FMP/F/IFS to issue travelers checks as travel advances. The request from the cashier's supervisor or **management officer** at the post must include detailed justification and proposed procedures for obtaining, controlling, issuing, and safeguarding travelers checks.

c. Class B cashiers are authorized to accept first party travelers checks only from employees and other persons authorized to make accommodation and reverse accommodation exchange in accordance with 4 FAH-3 H-394.2-4 and as collection for money owed the government in accordance with 4 FAH-3 H-396.

d. Subcashiers are not authorized to sell travelers checks for any purpose.

e. Each cashier's supervisor must review the inventory of travelers checks to determine the most economical inventory level and reorder point using the cash turnover guidelines in 4 FAH-3 H-393.2 . This review must be done at least once a year.

4 FAH-3 H-399.6 Cashiering Questions or Problems

(TL:FMP-2; 4-30-95)

Please address questions or problems dealing with the overseas operations of the cashier function to FMP/F/IFS and domestic operations to FMP/F/DFS/DFMO. Questions regarding the policy, interpretation of the policy, or exceptions to the policy in 4 FAH-3 H-390 should be addressed to FMP/F/FMS/FPMC.