**DEPARTMENT OF VETERANS AFFAIRS**



**VETERANS BENEFITS ADMINISTRATION**

**FINANCIAL PROCEDURES GUIDE**

**REGIONAL OFFICES – CHAPTER 1**

January 2020

**Preface**

* **Purpose.** This chapter is designed to provide the Veterans Benefits Administration (VBA) Regional Office (RO) employees with detailed financial procedures to use in implementing Agent Cashier activities at field offices. The chapter will serve as a ready reference guide to users to become familiar with key sources of information that will assist in carrying out tasks associated with Agent Cashier activities.
* **Scope.** The scope of this chapter covers the five key business processes of an Agent Cashier activity—management determination of need, designation of employees as Agent Cashiers, training requirements of Agent Cashiers, collection and disbursement transactions, and management oversight. The chapter does not cover the Agent Cashier role in the Veterans Affairs Central Office (VACO).
* **Users.** This chapter is intended to assist RO employees who are designated as Agent Cashiers or Alternate Agent Cashiers to perform the tasks associated with Agent Cashier positions.
* **Standards.** Effective internal controls must be deployed in a manner to ensure that each collection and disbursement action by RO Agent Cashiers complies with internal control standards. Each transaction should be appropriate, valid, reasonable, funded, accurately recorded, supportable and timely recorded.
* **Rescissions.** This chapter rescinds all RO guidance and notices issued prior to the effective date of this RO Financial Procedures Guide.
* **Inquiries.** All inquiries relating to this chapter should be addressed to VBA’s Office of Financial Management, Finance Operations staff at [VAVBAWAS/CO/OPERATIONS](mailto:OPERATIONS.VBACO@va.gov) (Outlook).

**Table of Contents**

[1.1 Overview 4](#_Toc29895965)

[1.2 Authority 4](#_Toc29895966)

[1.3 Roles and Responsibilities 4](#_Toc29895967)

[1.3.1 VA Central Office 5](#_Toc29895968)

[1.3.2 VBA Central Office 5](#_Toc29895969)

[1.3.3 VBA Regional Offices 6](#_Toc29895970)

[1.3.4 Other VA Organizations 6](#_Toc29895971)

[1.3.5 Non-VA Organizations 7](#_Toc29895972)

[1.4 Operating Environment 7](#_Toc29895973)

[1.5 VBA Financial/Mixed Financial and Other VA/Non-VA Systems 7](#_Toc29895974)

[1.5.1 VBA Financial/Mixed Financial Systems 8](#_Toc29895975)

[1.5.2 Other VA Systems 8](#_Toc29895976)

[1.5.3 Other Relevant Systems 8](#_Toc29895977)

[1.6 Key Business Processes 9](#_Toc29895978)

[Figure 1: Key Processes of the Agent Cashier Activities 9](#_Toc29895979)

[1.7 Financial Procedures 10](#_Toc29895980)

[**A.** **Determination of Need** 10](#_Toc29895981)

[A-1 Establishing Agent Cashier Activity 10](#_Toc29895982)

[**B.** **Designation** 11](#_Toc29895983)

[B-1 Designation of Principal and Alternate Agent Cashiers 11](#_Toc29895984)

[**C.** **Scheduling and Completing Training** 13](#_Toc29895985)

[C-1 General Agent Cashier Training 14](#_Toc29895986)

[C-2 Transferring Authority 15](#_Toc29895987)

[C-3 Personal Liability 19](#_Toc29895988)

[C-4 Revocation Action 19](#_Toc29895989)

[**D.** **Collections and Disbursements** 20](#_Toc29895990)

[D-1 Collections and Deposits - Cash 20](#_Toc29895991)

[D-2 Collections and Deposits - Credit and Debit Cards 21](#_Toc29895992)

[D-3 Collections and Deposits – Miscellaneous 23](#_Toc29895993)

[D-4 Converting Paper Checks into Electronic Debits Using the OTCnet System 29](#_Toc29895994)

[D-5 Convenience Check - Disposal of Unused Convenience Checks 31](#_Toc29895995)

[D-6 Salary Checks Distribution 32](#_Toc29895996)

[D-7 Check Cashing Fees 35](#_Toc29895997)

[D-8 Safeguarding Assets 36](#_Toc29895998)

[D-9 Handling Homeless Claimant’s or Beneficiary’s Correspondence and Benefit Payments 37](#_Toc29895999)

[**E.** **Management Oversight** 38](#_Toc29896000)

[E-1 Reporting Losses or Theft 38](#_Toc29896001)

[E-2 Audits and Reviews 40](#_Toc29896002)

[E-3 Relief of Agent Cashier from Personal Liability 41](#_Toc29896003)

[1.8 Definitions 44](#_Toc29896004)

[1.9 Key Forms 46](#_Toc29896005)

[1.9.1 Department of Veterans Affairs 46](#_Toc29896006)

[1.9.2 Non-VA Forms 47](#_Toc29896007)

[1.10 Key References 47](#_Toc29896008)

[1.10.1 Department of Veterans Affairs 47](#_Toc29896009)

[1.10.2 United States Code 48](#_Toc29896010)

[1.10.3 Code of Federal Regulations 48](#_Toc29896011)

[1.10.4 Department of the Treasury 48](#_Toc29896012)

[1.10.5 Office of Management and Budget 49](#_Toc29896013)

[1.10.6 Other Key References 49](#_Toc29896014)

[APPENDIX A: IMPREST FUND POLICIES AND PROCEDURES - MANILA REGIONAL OFFICE AND OUTPATIENT CLINIC 50](#_Toc29896015)

[A-1 Financial Policy Statements 50](#_Toc29896016)

[A-2 Financial Procedures 50](#_Toc29896017)

[APPENDIX B: SYSTEM DESCRIPTIONS 53](#_Toc29896018)

[B-1 VBA Financial/Mixed Financial Systems 53](#_Toc29896019)

[B-2 Other VA Systems 54](#_Toc29896020)

[B-3 Other Relevant Systems 55](#_Toc29896021)

[APPENDIX C: BUSINESS PROCESS DESCRIPTIONS 56](#_Toc29896022)

[C-1 Determination of Need 56](#_Toc29896023)

[C-2 Designation 56](#_Toc29896024)

[C-3 Scheduling and Completion of Training 57](#_Toc29896025)

[C-4 Collections and Disbursements 57](#_Toc29896026)

[C-5 Management Oversight 58](#_Toc29896027)

[APPENDIX D: LIST OF ACRONYMS 60](#_Toc29896028)

**Chapter 1**

**Agent Cashiers within VBA Operations**

# **1.1 Overview**

This chapter reflects VBA’s financial procedures used to implement Departmental financial policies relating to employees designated as RO Principal Agent Cashiers, Alternate Agent Cashiers and any other VBA employee who may have been delegated certain Agent Cashier-related tasks to perform. These RO Principal Agent Cashiers, Alternate Agent Cashiers, and other VBA employees have been designated to receive and/or disburse funds for sundry purposes, as necessary. This chapter prescribes the required financial procedures to use in maintaining financial control and accountability over RO Agent Cashier activities.

# **1.2 Authority**

The Department of the Treasury’s Financial Management Service published its [Imprest Fund Policy Directive](#IFPD), dated November 9, 1999, that required all Federal agencies to eliminate the use of imprest funds by October 1, 2001. Treasury issued this policy guidance in accordance with the requirements of the Debt Collection Improvement Act (DCIA) of 1996, which has been codified in Title 31, United States Code (USC). The DCIA required that most Federal payments after January 1, 1999, be made via Direct Deposit/Electronic Funds Transfer (DD/EFT), subject to the authority of the Secretary of the Treasury to grant waivers. Treasury implemented DCIA by issuing the Code of Federal Regulations (CFR) known as the Treasury EFT Rule ([31 CFR Part 208](#EFT)).

VA’s current authority to continue to use imprest funds, due to its unique operating environment affecting and serving Veterans[[1]](#footnote-1), rests on approved waivers granted by Treasury. VBA does not use imprest funds for Agent Cashier activities within the Continental United States (CONUS); only the Manila Regional Office and Outpatient Clinic employs an imprest fund for cash payments or other cash requirements (refer to [Appendix A](#APPENDIXA)). Effective October 1, 2018, convenience checks are no longer permitted for all VBA purchase card accounts, including Agent Cashiers.

Refer to [Section 1.10](#_Key_References)below for a detailed list of all key authoritative references relevant to the subject matter in this chapter.

# **1.3 Roles and Responsibilities**

### 1.3.1 VA Central Office

* The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and [38 USC 309](#CFO), oversees all financial management activities relating to the Department’s programs and operations. Specific responsibilities include the direction, management, and provision of policy guidance and oversight of VA’s financial management personnel, activities, and operations.
* The Financial Services Center (FSC), which reports to the CFO and located in Austin, TX, performs a full range of financial accounting and reporting services for VACO (101) and VA, as a whole, relating to approved imprest funds and Agent Cashier’s accounting transactions.
* The Debt Management Center (DMC), which reports to the CFO and located in St. Paul, Minnesota, collects debts resulting from an individual’s participation in VA’s education, pension or disability compensation programs within the DMC jurisdiction. The DMC consults with Veterans and their families in the management and liquidation of their benefit debts. The DMC handles most debt collections within its collection jurisdiction, except for those debts that are assigned to specific regional offices.
* The Deputy Assistant Secretary for Finance, who is VA’s Deputy Chief Financial Officer, delegates authority to other individuals within a VA organizational component. Such delegations are in writing and identify the specific limitations on designees’ authority.

### 1.3.2 VBA Central Office

* The Under Secretary for Benefits ensures compliance with VA’s financial policies and procedures relating to Agent Cashier activities, as described in Departmental policy guidance.
* The VBA Chief Financial Officer (VBA/CFO) establishes internal VBA financial policies and procedures to implement the Departmental guidance on Agent Cashier activities. The VBA/CFO monitors all VBA employees designated as Principal Agent Cashiers or Alternate Agent Cashiers to ensure compliance with internal financial policies and procedures.
* VBA’s Agency/Organization Program Coordinator (A/OPC) ensures completion of mandatory training by purchase cardholders, Principal Agent Cashiers and Alternate Agent Cashiers prior to issuance of purchase cards, as applicable. The A/OPC helps to set up accounts and serves as liaison between the purchase cardholder and the U.S. Bank Government Services. The A/OPC serves as the focal point for issuing and destroying purchase cards.

* VBA’s Level 2 Purchase Card Manager, located at VBA VACO, assists the A/OPC and the HCA with questions and issues concerning the use of the purchase card to Agent Cashiers within VBA.

### 1.3.3 VBA Regional Offices

* The RO Directors appoint employees to perform Agent Cashier duties at their locations. The Directors ensure appropriate local operating controls are established and followed to comply with all laws, regulations, Departmental policies and VBA guidance covering Agent Cashier activities.
* The RO Finance Officers establish the necessary internal accounting controls to safeguard the use of assets relating to the Agent Cashier’s collection and disbursing activities.

* The RO Principal Agent Cashiers and Alternate Agent Cashiers receive cash and checks as well as make deposits. These Agent Cashiers maintain custody over assets and keep all collections in a secure location. They are also liable for assets in their custody.
* The Director of the VBA Manila Regional Office and Outpatient Clinic administers the only imprest fund within regional operations. The Manila Agent Cashiers are considered foreign cashiers, as defined in Treasury guidance, and must follow the guidance of [Volume 4, Foreign Affairs Manual](#FAM), and any cashier user guides that may be published by their servicing disbursing officers.

### 1.3.4 Other VA Organizations

* The Director, Office of Information & Technology (OI&T), provides a wide range of information technology (IT) services to all VA Administrations and staff offices as a whole. As part of these services, the Director oversees the operations of the Corporate Data Center Operations (CDCO), which is a Franchise Fund provider of IT services that include a host of technical solutions to best accomplish all tasks associated with the varied IT projects of its customers.

* The Director, Hines Information Technology Center (HITC), which hosts the Benefit Delivery Network (BDN) and Veterans Service Network (VETSNET) systems, uses these systems to maintain the payment, accounting, and statistical records for payment of compensation, pension, vocational rehabilitation, and education benefits. HITC prepares reports, including a Quarterly Accounts Receivable Listing, based on data in BDN/VETSNET, generates system messages including notices of exception and notices of benefit transactions requiring action by ROs, and provides the ROs with audit samples and audit worksheets. The HITC data center operation is aligned with the Austin Information Technology Center, the Philadelphia Information Technology Center, the Capital Region Data Center, and the Quantico Information Technology Center under VA’s Corporate Data Center Operations.  All five data centers report to the Office of Information and Technology’s Deputy Chief Information Officer for Enterprise Operations and Field Development.
* The Director, Austin Information Technology Center (AITC), as part of the CDCO, provides a full complement of e-Government solutions to support the IT needs of VA and other Federal customers. The AITC runs more than 100 customer applications providing mission-critical data for financial management, payroll, human resources, medical records, eligibility benefits, among other functions.

### 1.3.5 Non-VA Organizations

* The Defense Finance and Accounting Service (DFAS), VA’s designated Payroll Service Provider, processes payroll and makes all employee deductions, disbursements, generates leave and earnings statement file and W-2s (Wage and Tax Statement). DFAS charges VA appropriations and cost centers, and reports all payroll-related financial information to the Treasury on the behalf of VA.
* The U.S. Bank Government Services supports VA’s Purchase Card Program and issues VA’s Government purchase cards, processes purchase transactions, providing FSC with daily electronic invoices for all posted transactions and providing timely reports.

# **1.4 Operating Environment**

The VBA RO operating environment provides adequate safeguards to preclude Agent Cashiers from mishandling any available cash for improper purposes. Other than for the Manila office, VBA does not use imprest funds. Internal controls have been instituted to maintain security over assets, including any on-hand cash. To limit its exposure to fraud, waste and abuse, VBA does not allow purchase card holders to have convenience checks effective October 1, 2018.  The VBA RO control environment for Agent Cashiers is less stringent than those safeguards needed for other VA organizations that may have greater exposure to on-hand cash. Agent cashiers within the VBA environment must use a secured device, such as a locking desk drawer or file cabinet, to store any cash or check collections.  Storage device keys should be changed annually or when there is a transfer of authority between Agent Cashiers.

# **1.5 VBA Financial/Mixed Financial and Other VA/Non-VA Systems**

Employees assigned to ROs must be familiar with financial, mixed financial[[2]](#footnote-2) and non-financial management systems that may be directly affected by the transactions they process, including an awareness of relevant non-VA systems. Brief descriptions of various systems, both internal and external to VBA are presented below.

### 1.5.1 VBA Financial/Mixed Financial Systems

* **Benefits Delivery Network (BDN).** The primary services of BDN include identifying Compensation & Pension (C&P) and Education claimants, tracking claims, viewing records, processing claims, and generating computer letters for development, award, payment, and disallowance.
* **Veterans Service Network (VETSNET)*.*** The VETSNET is a system being developed that will eventually facilitate the administration of all VBA benefit programs. Currently, it is the core business system for compensation and pension benefits, formerly accomplished by BDN.

### 1.5.2 Other VA Systems

* **Financial Management System*.*** The Financial Management System is VA’s official financial accounting system of record for VA’s General Ledger and it supports the collection, processing, and dissemination of billions of dollars of financial information and transactions each year.
* **Centralized Account Receivable System/Centralized Account Receivable On-Line System (CARS/CAROLS)*.* CARS/CAROLS is the system used by the DMC** to monitor, track, and record collections of debts relating to the C&P and Education programs.
* **VA Payroll System.** Defense Finance and Accounting Service (DFAS) processes VA’s payroll transactions and disburses payments, reports amounts to Treasury and taxing authorities, using its own payroll system, namely, the Defense Civilian Pay System (DCPS).

### 

### 1.5.3 Other Relevant Systems

* **Over the Counter Channel Application (OTCnet)**. OTCnet is a Department of Treasury system that combines electronic paper check conversion and deposit reporting functions. This system offers VA the capability to handle cash and check deposits using a single Web-based application.
* **Electronic Verification and Imaging System (ELVIS)**. ELVIS is a Federal Reserve Bank system used for researching check images, housing a master verification database of Paper Check Conversion – Over the Counter (PPC-OTC) transactions.

For additional information on these systems, refer to [Appendix B](#APPENDIXB).

# **1.6 Key Business Processes**

The figure below depicts the major business processes for the Agent Cashier activity into its major business processes and gives a brief description of each process. Financial procedures in [Section 1.7](#_1.7__Financial) are presented in relation to these processes.

### Figure 1: Key Processes of the Agent Cashier Activities

|  |  |
| --- | --- |
| **BUSINESS PROCESS** | **DESCRIPTION** |
|  | VBA has the need to account for money .  In accordance with the waiver issued by Treasury allowing for imprest funds in mission-critical situations, VBA established an Agent Cashier function at the Regional Offices to control monetary resources. Rather than using imprest funds, Regional Offices have locked drawers or similar types of secured locations for keeping funds, since they do not carry cash. |
|  | VBA will designate certain employees to become disbursing officials, as authorized in 31 USC 3321, to expend public money (e.g., Principal Agent Cashiers). The Agent Cashier is an accountable officer and is personally responsible and accountable for safeguarding uncashed U.S. Government Treasury checks, any cash on hand, receipts received for deposit, invoices, and other receipts for cash payments. |
|  | Training should be scheduled and completed before any Agent Cashier functions are performed. VA has developed a national training class for Agent Cashiers. This course examines technical aspects of Agent Cashier functions. The objective of the training is to provide technical training in Agent Cashier procedures, including laws, regulations and reports. |
|  | VBA collects debts resulting from individuals’ participation in VA’s benefit programs, employee overpayments and other miscellaneous collection activities. Agent cashiers are responsible for collecting and depositing checks received at the proper Treasury depository. These deposits may include collections such as employee debts, donations, and other miscellaneous collections |
|  | Internal controls have been established to ensure an ongoing monitoring process of Agent Cashier operations, including audits, reconciliations and the discrepancy reports. Unannounced audits are required bi-annually for Agent Cashiers with no imprest fund. Management will review these audit reports to verify that collections are safeguarded, on-hand cash is properly deposited, disbursements are reconciled, and other functions are operating as intended per VA policy. |

For additional information on these key business processes, refer to [Appendix C](#APPENDIXC).

# **1.7 Financial Procedures**

The key business processes are contained in the various tables below, which include the applicable financial policy statements, financial procedures, and key internal controls.

## **Determination of Need**

### A-1 Establishing Agent Cashier Activity

|  |
| --- |
| 1. **Financial Policy**   VBA will use imprest funds, when deemed necessary, under the waiver provisions of the Department of the Treasury’s Imprest Funds Policy Directive, dated November 9, 1999. VBA will comply with Treasury’s guidance on imprest funds, if used, or other Agent Cashier activities involving public money or other assets. [31 USC 3321](#DISBB), “*Disbursing Authority in the Executive Branch*,” provides that “…only officers and employees of the Department of the Treasury, designated by the Secretary of the Treasury as disbursing officials, may disburse public money available for expenditure by an executive agency.” The Treasury’s Chief Disbursing Officer has delegated this disbursing authority to Federal agency heads, or their designees, for purposes of Agent Cashier fund management.   1. **Financial Procedures** 2. VBA/CFO determines whether or not there is a need for an Agent Cashier activity in regional offices. Currently in VBA, regional offices do not use an imprest fund; however certain employees are designated with the responsibility, as Agent Cashiers to collect incoming money. 3. The RO Director requests the VBA/CFO to approve and establish the Agent Cashier activity at the regional office, if an Agent Cashier activity is deemed necessary. 4. The RO Director implements and follows applicable financial policies and guidance for overseeing its Agent Cashier activity. 5. The RO Director creates the proper internal control environment to safeguard assets to include acquiring a secured device, such as a locked file cabinet or desk drawer, to store the assets and controlling all keys which allow access to the assets. 6. **Key Internal Controls**  * The RO Agent Cashier activity must receive prior approval before any employee can be designated as a Principal Agent Cashier or Alternate Agent Cashier to collect money. * The RO Agent Cashiers must adhere to applicable VA financial policies and guidelines, and any Treasury guidance governing the operation of any Agent Cashier activity. * The RO Agent Cashiers must ensure that an effective control environment exists to safeguard assets under their control. |

## **Designation**

### B-1 Designation of Principal and Alternate Agent Cashiers

1. **Financial Policy**

VA will designate an approving official with the responsibility for appointing an Agent Cashier with the authority to serve as a disbursing official without having to obtain the advanced approval of Treasury’s Financial Management Service (FMS). The approving official will designate certain employees (e.g., Principal Agent Cashiers) to become disbursing officials, as authorized in 31 USC 3321, to expend public money for bona fide purposes.

1. **Financial Procedures**
2. The RO Director, or designee, prepares the following five documents and submits them to Treasury in order to establish Agent Cashier activities at a regional office:

* [FMS FORM 2958 - DELEGATION OF AUTHORITY](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/reference/FMS2958_Delegation_of_Authority.pdf)

This form identifies for Treasury the name and title of each VBA approving official who has the delegated authority to make Agent Cashier appointments. This form must be re-submitted every two years by the RO Director, or designee, to the appropriate Treasury’s Regional Finance Center (RFC). Approving officials cannot re-delegate this authority.

* The RO Director, or designee, ensures that the approving official, who approves the VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*, has a current [FMS Form 2958](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/reference/FMS2958_Delegation_of_Authority.pdf) on file with the RFC. If the approving official has a current FMS Form 2958 on file, he/she processes the VA 0901. If there is not an FMS Form 2958 on file, the following three procedures are performed:
* The RO Director, or designee, contacts VBA Headquarters in VACO and requests a new form. The new form will be e-mailed to the Regional Office Director, or designee, to be filled out and filed with the RFC.
* The RO Director, or designee, completes and signs the FMS Form 2958. The form will identify the specific person(s) to be designated as an approving official.
* The RO Director, or designee, upon completion, mails the FMS Form 2958 to the Financial Operations and Reengineering Division at VBA Headquarters, using the following address:

Attn: VBA Delegation of Authority

Department of Veterans Affairs

Financial Operations and Reengineering Division (241C)

810 Vermont Ave, NW

Washington, DC 20420

* [VA 0901, REQUEST FOR CHANGE OR ESTABLISHMENT OF IMPREST FUND (REQUEST FOR CHANGE FORM)](http://vaww.va.gov/vaforms/va/pdf/VA0901.pdf)

This form designates VBA’s Principal Agent Cashiers and Alternate Agent Cashiers and remains valid until revoked. Approving officials identified on the FMS Form 2958 complete the required VA 0901.

|  |
| --- |
| * The approving official, who has a valid FMS Form 2958 on file, obtains a copy of [VA 0901](http://vaww.va.gov/vaforms/va/pdf/VA0901.pdf). * The approving official completes and signs the VA 0901. The form identifies the person(s) to be designated as a Principal Agent Cashier. The completed VA 0901 contains the name and signature of the current RO Director. * The approving official, upon completion, mails the completed VA 0901 to the FSC’s Agent Cashier Accountability Activity at the following address:   Financial Services Center  Agent Cashier Accountability Activity (0474)  P.O. Box 149975  Austin, TX 78714-8975   * DELEGATION OF AUTHORITY MEMORANDUM   The RO Director, or designee, prepares a Delegation of Authority Memorandum. This memorandum identifies the authorizing officials for Agent Cashier activities and also who is authorized to issue third party drafts, when circumstances warrant.   * The RO Director, or designee, issues the Delegation of Authority Memorandum and forwards it to the Principal Agent Cashier and Alternate Agent Cashier. * The Principal Agent Cashier and Alternate Agent Cashier sign the memorandum. The authorizing official for Agent Cashier activities also signs the memorandum. * The Principal Agent Cashier and Alternate Agent Cashier retain a copy of the memorandum.  1. **Key Internal Controls**  * The RO Director, or designee, must ensure that all current FMS Form 2958, *Delegation of Authority*, forms are filed with the proper Treasury’s RFC, as required. * The RO Director, or designee, must ensure that the Agent Cashier activity is not interrupted by any foreseen or unforeseen absence of the Principal Agent Cashier by ascertaining that an Alternate Agent Cashier has been properly designated for such circumstances. |

## **Scheduling and Completing Training**

### C-1 General Agent Cashier Training

|  |
| --- |
| 1. **Financial Policy**   Agent cashiers will perform multiple tasks, including collecting cash, issuing convenience checks, and maintaining financial control over assets they are accountable for. VA will provide adequate training to Agent Cashiers on all aspects of the Agent Cashier’s role prior to the commencement of any activity where they will handle cash, checks or other negotiable instruments, or establish internal controls over the Agent Cashier activity.   1. **Financial Procedures** 2. A designated Principal Agent Cashier and Alternate Agent Cashier, prior to commencing their Agent Cashier role, attend VA’s national training class for Agent Cashiers. The FSC sponsors the class. 3. A designated Principal Agent Cashier and Alternate Agent Cashier register for the FSC training course on VA’s Talent Management System. 4. A designated Principal Agent Cashier and Alternate Agent Cashier complete the training and gain an understanding of the following subjects:  * Role and responsibilities of an Agent Cashier; * Accounting and reporting function, including how to transfer personal accountability, implement adequate security safeguards, and maintain proper separation of duties; * Transaction processing of incoming cash/checks; * Knowledge of relevant Agent Cashier laws, regulations, policy guidance and manuals; and * Resolving common Agent Cashier problems.  1. **Key Internal Controls**  * The RO Director, or designee, must ensure that Agent Cashiers are properly educated on their roles and responsibilities prior to commencing Agent Cashier activities. * The RO Director, or designee, must ensure that documentation exists to support the actual training taken by the Agent Cashiers and is maintained at the Regional Office. |

### C-2 Transferring Authority

|  |
| --- |
| 1. **Financial Policy**   When it becomes known that the Principal Agent Cashier’s position will become vacant, a new Principal Agent Cashier will be selected. At least once every 12 months from the transfer date, there will be a temporary transfer of responsibility and accountability to an Alternate Agent Cashier for at least 2 weeks for internal control purposes and to train an Alternate Agent Cashier. Insofar as possible, the transfer will be arranged to coincide with any foreseen absences of the Principal Agent Cashier.  The RO Director will ensure that Agent Cashier activities are not interrupted by any foreseen or unforeseen absence of a Principal Agent Cashier. Foreseen and unforeseen absences of the Principal Agent Cashier will also result in the transfer of authority to an Alternate Agent Cashier.  The RO Director will transfer authority when any loss of funds is due to an Agent Cashier’s impropriety.   1. **Financial Procedures** 2. TRANSFERRING AUTHORITY TO A NEW PRINCIPAL AGENT CASHIER (PERMANENT)   If a new Principal Agent Cashier has not been designated before the outgoing Principal Agent Cashier leaves, these financial procedures for the transfer of authority will be used to transfer the assets on-hand (e.g., undeposited cash receipts) to an Alternate Agent Cashier. The alternate cashier remains accountable until a new permanent Principal Agent Cashier has been designated and accountability, likewise, has been transferred*.*   1. The approving official completes the VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*, officially establishing the new Principal Agent Cashier and revoking the authority of the outgoing Agent Cashier. The new Principal Agent Cashier retains a copy of this document. Steps for completing this form are described in section B-1 above. 2. In order to verify any discrepancies, the incoming and outgoing Principal Agent Cashiers perform a review by counting any on-hand assets, in the presence of two disinterested (without a vested interest) persons, both of whom will be requested to verify the count. All four participants sign a receipt as evidence of the asset amount and transaction. Alternatively, an audit can be performed at the direction of the RO Director. For more information on Agent Cashier audits, refer to E-2 below. 3. The assets will be given to the new Principal Agent Cashier for control and legitimate uses. The new Principal Agent Cashier receives access to the locked file cabinet or other storage device containing the assets and any transaction documentation from the outgoing Agent Cashier.   *Note: In order to safeguard assets, locks should be changed during a period of transition. This must be done at least once a year and at any time there is a change of incumbents in the position of Principal Agent Cashier or Alternate Agent Cashier.*   1. A Memorandum of Transfer will be prepared between the new and departing Principal Agent Cashier acknowledging the transfer of assets. This memorandum officially directs the transfer of duties, documents all outstanding accountability items on hand (e.g. undeposited cash/checks), specifies the actual dates of the transfer, ends the transfer process if no cash is involved, and is signed by the new and departing Principal Agent Cashier. 2. FORESEEN ABSENCES OF THE PRINCIPAL AGENT CASHIER (TEMPORARY) 3. The Principal Agent Cashier uses a Memorandum of Transfer to start the transfer process. This memorandum officially directs the transfer of duties, documents all outstanding accountability items on hand (e.g. undeposited checks), specifies the actual dates of the transfer, ends the transfer process if no cash is involved, and is signed by the Principal Agent Cashier and Alternate Agent Cashier acknowledging the transfer. 4. If the absence is over 15 days, the approving official prepares an VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*, to be forwarded to FSC’s Agent Cashier Accountability Activity (refer to section B-1 above). If the absence is 15 days or less, an VA 0901 is not to be submitted. 5. Upon the Principal Agent Cashier’s return to duty, the Alternate Agent Cashier turns over all documentation supporting accountability items to the Principal Agent Cashier. The same Memorandum of Transfer will be used to transfer authority back to the Principal Agent Cashier. 6. UNFORESEEN ABSENCES OF THE PRINCIPAL AGENT CASHIER 7. If the period of absence is brief (e.g., short periods of approved leave), the Alternate Agent Cashier temporarily assumes the Principal Agent Cashier’s duties. Upon the Principal Agent Cashier’s return:  * The Alternate Agent Cashier immediately turns over any collections to the Principal Agent Cashier. * The Alternate Agent Cashier prepares a Memorandum of Transfer to support the transfer of collections back to the Principal Agent Cashier. The memorandum should document all outstanding accountability items on hand (e.g. undeposited checks), any disbursements made, and the actual dates of the transfer, ends the transfer process if no cash is involved, and is signed by the Principal Agent Cashier and Alternate Agent Cashier acknowledging the transfer. * The Principal Agent Cashier retains the Memorandum of Transfer for internal control and accountability purposes.  1. In the case of an unforeseen absence where the Principal Agent Cashier is not returning and the Alternate Agent Cashier assumes duty:  * A committee of four, consisting of the RO Director (or Assistant Director), the Finance Officer, the Alternate Agent Cashier, and the Chief of the Collections Unit for the VBA facility gains access to the Principal Agent Cashier's records and controlled assets. * The Finance Officer completes the VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)* to transfer responsibility and accountability to the Alternate Agent Cashier. * The Finance Officer transfers all assets on hand and keys to the secured location to the Alternate Agent Cashier.  1. In the case of any unforeseen absence that precludes the transfer of assets to an Alternate Agent Cashier in the normal manner:    * A committee of four, consisting of the RO Director (or Assistant Director), the Finance Officer, the Alternate Agent Cashier, and the Chief of the Collections Unit for the VBA facility gain access to the Principal Agent Cashier's records and controlled assets.    * The Alternate Agent Cashier counts any assets in the presence of two disinterested persons, who verify the count on a Memorandum of Transfer.  * The completed Memorandum of Transfer will be signed by each member of the committee. * The Alternate Agent Cashier acknowledges the receipt of assets and sign for the transfer.  1. In instances of an unforeseen absence of both the Principal Agent Cashier and Alternate Agent Cashier for a short duration, the following procedures will be followed:  * A committee of three consisting of the RO Director (or Assistant Director), Finance Officer, and the Chief of the Collections Unit for the VBA facility access the Principal and Alternate Agent Cashier’s records and assets. * An accounting for the assets will be made. * In the interim, the RO Finance Officer accepts and processes all collections normally handled by the Principal Agent Cashier and/or Alternate Agent Cashier. * If the absences of both the Principal Agent Cashier and Alternate Agent Cashier are expected for a prolonged period, a replacement will be designated to handle the Agent Cashier duties.   + An VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*, will be prepared to name a new designee over the assets.   + Refer to “Steps for transferring authority to a new Principal Agent Cashier” above for procedures on appointing a new Principal Agent Cashier.  1. **Key Internal Controls**  * The RO Director, or designee, must ensure that Agent Cashier activity is not interrupted by any foreseen or unforeseen absence of a Principal Agent Cashier by designating an Alternate Agent Cashier. * VBA’s designated approving official must ensure that the outgoing Principal Agent Cashier’s authority has been properly revoked and that the incoming Principal Agent Cashier’s authority has been established, as evidenced on the VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*. * The incoming and outgoing Principal Agent Cashiers must count the assets under the control of the outgoing Principal Agent Cashier for accuracy before any actual transfer of assets to the new Principal Agent Cashier occurs, as evidenced by a receipt documenting the transfer. * The RO Director, or designee, must ensure that the Agent Cashier, whose authority has been revoked, no longer has access to any assets * The RO Director, or designee, must ensure that locks to all file cabinets or desk drawers have been changed at least once a year and at any time there is a change of incumbents in the position of Principal Agent Cashier or Alternate Agent Cashier. |

### C-3 Personal Liability

|  |
| --- |
| 1. **Financial Policy**   Agent cashiers will be held personally liable for any loss or shortage of funds in their custody, unless relieved by proper authority. Like other accountable officers, they are regarded as “insurers” and are subject to strict liability. The recipient of an improper payment is liable for the full amount. Any amounts collected will be applied to reduce the accountable officer’s liability. The accountable officer will remain liable for any remaining balance.   1. **Financial Procedures** 2. The Agent Cashier reviews VA financial policies and complete proper training to become familiar with the role and responsibilities, including potential personal liability, of the Agent Cashier position. 3. The Agent Cashier is made aware of potential personal liability by the approving official who makes all Principal and Alternate Agent Cashier appointments. 4. **Key Internal Controls**  * The Agent Cashier must complete all requisite training that includes being made aware of the Agent Cashier’s potential liability for losses incurred during his/her tenure as an authorized Agent Cashier. * The Approving Official, who appoints the Agent Cashiers, must inform the Agent Cashier of potential liabilities at the time of appointment. |

### C-4 Revocation Action

|  |
| --- |
| 1. **Financial Policy**   VBA will designate an approving official with the responsibility to revoke an Agent Cashier’s authority as an approved disbursing official without having to obtain the advanced approval of Treasury’s Financial Management Service office. The approving official will revoke the Agent Cashier designation when there is a change of Agent Cashiers or for other justifiable reasons. An Agent Cashier’s authority will be revoked any time there is a change of Agent Cashiers.   1. **Financial Procedures** 2. The approving official prepares a new VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*, to both revoke the appointment of the outgoing Principal Agent Cashier and to appoint a new Principal Agent Cashier. Refer to section B-1 for steps to follow in processing the VA 0901. 3. The RO Director, or designee, prepares a memorandum to indicate the revocation action has occurred and to accompany the VA 0901. A copy of the memorandum will be furnished to the particular Agent Cashier involved. The memorandum will contain the name of the Agent Cashier, date of revocation, reason for revocation, and the signature and date of the RO Director.      1. The new Principal Agent Cashier receives keys to the file cabinet or drawer storing the assets and any documentation from the outgoing Principal Agent Cashier. 2. **Key Internal Controls**  * The approving official must ensure that the outgoing Principal Agent Cashier’s authority is properly revoked and the incoming Principal Agent Cashier’s authority has been properly established, as evidenced on the VA 0901, *Request for Change or Establishment of Imprest Fund (Request for Change form)*. * The RO Director, or designee, must ensure that any safe/file drawer locks or combination or any access code to the physical location of the safe/file drawer are changed during any period of transition between Agent Cashiers in order to safeguard assets. This action must be done at least once a year and at any time there is a change of incumbents of Principal Agent Cashier or Alternate Agent Cashier. |

## **Collections and Disbursements**

### D-1 Collections and Deposits - Cash

|  |
| --- |
| 1. **Financial Policy**   The RO Director will ensure that deposits made at a Federal Reserve Bank (FRB) do not contain cash. Depositors will convert cash to a money order and deposit the money order along with any cashier’s checks. Depositors of public monies, namely Federal agencies, will either deposit funds at the nearest commercial bank (i.e., Treasury General Account) as designated and authorized by Treasury’s Financial Management Service or will deposit funds at their local FRB. If Financial Management Service determines that it is not cost effective for an agency to use a commercial bank, or that a commercial bank is not available, Financial Management Service will authorize the agency to make deposits at the nearest FRB.   1. **Financial Procedures**   1. The Agent Cashier converts all cash receipts into a cashier’s check or money order.  2. The Agent Cashier, once the cash has been converted, deposits the funds in accordance with the financial procedures listed in section D-3 below for check collections.   1. The use of VBA standardized electronic ([Excel](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/reference/Field_Service_Receipt_FSR_Excel_Template.xlsx) or [PDF](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/reference/VA_Form_4-1027_Field_Service_Receipt_FSR_Template.pdf) format) VA Form 4-1027 - *Field Service Receipts – General - Accountable* (FSR) is authorized. A hard copy FSR must be attached to the electronic FSR. The Agent Cashier must ensure that the receipt number on both the electronic copy and hard copy of the FSR match. This procedure also applies to section D-3 below. 2. **Key Internal Controls**  * The Agent Cashiers must ensure that cash collections are properly converted to facilitate deposit in a timely manner. * The Agent Cashier must maintain proper documentation to support the actual conversion and timely deposit of any cash collections. The documentation must identify the time of cash receipt and the time of deposit. |

### D-2 Collections and Deposits - Credit and Debit Cards

|  |
| --- |
| 1. **Financial Policy**   The Treasury's Financial Management Service established a Plastic Card Collection Network (PCCN) to support Federal agencies' acceptance of credit cards from the public. Financial Management Service signed a contract with several financial institutions to process both Visa and MasterCard transactions.  Collections received from credit/debit cards will be processed in the same manner as all other collections, except that a two-part sales draft will be used to record the collection in lieu of VA Form 1027, *Field Service Receipt - General – Accountable*. Credit card collections will be processed through the terminal, allowing for electronic end-of-day settlement by an online network that transfers funds by wire from the financial institution to the Treasury account at the Treasury-contracted bank, which will in turn transmit deposit information to a Web site where the information can be viewed by VA.  *Note: The two-part sales draft is not considered an accountable form.*  **II. Financial Procedures**   1. The Agent Cashier processes authorized credit card collections through the Point-of-Sale (POS) terminal, which allows for an electronic end-of-day settlement by an online network that transfers the funds by wire from the financial institution to the Treasury account and eliminates the need to mail or deliver bank card collections for deposit purposes. Also, the Agent Cashier processes Card-Not-Present transactions, which are credit card transactions when the card holder is not physically present, such as those received by telephone or through the mail.   *Note: The Treasury contract bank, in turn, transmits deposit information to a Web site where it can be viewed by VBA. The consolidated deposit is recorded by Treasury within 24 hours so the deposit date on the computer-generated deposit ticket reflects the next business day's date.*   1. The Agent Cashier balances credit card collections processed through the POS terminal at the end of each business day or as the first item of business on the next business day for settlement.  * The terminal batch summary slip will be used in lieu of the paper SF 215, *Deposit Ticket*, to record the electronic deposit. Credit card deposit tickets must be exactly six digits. The first two digits are 99, followed by the last digit of the fiscal year and the three-digit Julian date of the deposit to indicate this is an electronic deposit via credit card. As an illustration, for a transaction that was settled on March 31, 2012, the Agent Cashier will annotate the batch summary with 992090. All stations are required to use this format. The Julian date the regional office will use is the actual day of the deposit. Do not use the Julian date for the next day or any other date. * The Agent Cashier writes the total amount of credit card collections and the "OK" number in the spaces provided on the summary slip. The merchant's copy of the sales drafts will be attached to original copy of the summary slip and forwarded to the Regional Office Accounting Section to record the collection in VA’s financial accounting system.  1. The Agent Cashier retains the sales drafts and the terminal batch summary slips in settlement date order to satisfy the retention standards of General Records. 2. The Agent Cashier receives chargebacks for invalid credit card charges from the FSC and provides the information to the RO Finance Officer for necessary collection action.   **III. Key Internal Controls**   * The FSC must perform the proper reconciliation on the weekly and monthly reports, showing all deposits and any chargebacks by location and by card type, that are provided by the U.S. Bank Government Services. * The Agent Cashier must balance credit card collections processed through the POS terminal at the end of each business day or as the first item of business on the next business day for settlement. |

### D-3 Collections and Deposits – Miscellaneous

|  |
| --- |
| **I. Financial Policy**  Agent cashiers will ensure that all miscellaneous collections (e.g., Veterans’ personal checks) are promptly deposited to the proper VA account that is maintained at an approved commercial bank, an FRB, or are returned to Treasury.  When cash and negotiable instruments are mailed or shipped by air express or other carrier or transported by the Principal Agent Cashier or other VA personnel, including the transportation of cash to be exchanged for money orders, the Principal Agent Cashier will prepare and retain VA Form 1011, Record of Shipment of Valuables. The package will be securely sealed in the presence of the two responsible employees who signed the VA Form 1011.  **II. Financial Procedures**  A. BENEFIT DEBTS MAINTAINED BY THE VBA FINANCE CENTER  1. The Agent Cashier, upon receipt of the checks to be deposited, determines the proper jurisdiction controlling the debt, whether the VBA Finance Center or the DMC. Jurisdiction can be determined by reviewing the Veterans information in the BDN/VETSNET system.  2. The Agent Cashier prepares VA Form 1027, Field Service Receipt - General – Accountable, if the check collections are specifically related to benefit debts maintained at the HFC. Also see section D-1 II.3. above.  3. The Agent Cashier prepares an SF 215, Deposit Ticket, indicating the proper appropriation and Agency Location Code (ALC) for HFC (36000-201).  4. The Agent Cashier then deposits the check at the local depositary or FRB, along with submitting the completed SF 215.  5. The Agent Cashier sends a copy of SF 215 to the local Finance Office to prepare a financial transaction into the applicable benefit system (i.e., BDN/VETSNET) to reduce the debt.   1. BENEFIT DEBTS MAINTAINED BY THE DMC   1. The Agent Cashier accepts remittances received at regional offices for receivables, maintained by the DMC and related to compensation, pension, and education debts.  2. The Agent Cashier, upon receipt of the checks to be deposited, determines the proper jurisdiction controlling the debt, whether the DMC or the HFC. Jurisdiction can be determined by reviewing the Veterans information in the BDN/VETSNET systems.  3. The Agent Cashier transmits any remittances received at regional offices for benefit overpayments in the form of checks (including personal/Treasury/U.S. Court/Restitution checks), bank drafts, cashier's checks or money orders to the DMC Agent Cashier for processing.  4. The Agent Cashier prepares a VA Form 1011, Record of Shipment of Valuables) in duplicate and sign the form. The original copy will be sent to the DMC, along with the checks for deposit, and the duplicate copy will be retained by the Agent Cashier.  5. The Agent Cashier also prepares an original and three copies of a VA Form 24-5216, Transmittal Schedule for Debt Management Center Collections, on each workday in which noncash collections (e.g., personal checks) are received at the regional office pertaining to receivable accounts maintained in the CARS/CAROLS system.  6. The Agent Cashier includes the following elements on the VA Form 24-5216:  • Station Number Code  • Transmittal Number  • Name & Station Location  • Field Station Receipt Number  • File/Claim Number  • Payee Number  • Deduction Code & Class  • Name of Debtor  • Amount Received  • Original Receipt Date  7. The Agent Cashier encloses the remittances listed on the form (original and two copies) in a heavy manila envelope or wrapping. The package will be securely sealed in the presence of the two responsible employees who signed the VA Form 1011.  8. The Agent Cashier then sends the package via registered or certified mail, as applicable, to the DMC Agent Cashier. The assigned registered mail number or certified mail number will be entered on VA Form 1011 in the block entitled "Registered Mail Number." The package will be addressed as follows:  Agent Cashier (389)  VA Debt Management Center  Bishop Henry Whipple Federal Building  Room 156, 1 Federal Drive  Fort Snelling, MN 55111  “DO NOT OPEN IN THE MAIL ROOM”  9. The Agent Cashier retains the third copy of the form for his/her records and files the form in schedule number order, pending return of the receipted copy from the DMC Agent Cashier.  10. The DMC Agent Cashier, not the regional office Agent Cashier, prepares the SF 215, Deposit Ticket, and submits it to the DMC Finance Activity to prepare a financial transaction into the BDN/VETSNET system to reduce the debt.     1. INSURANCE PREMIUMS   1. The Agent Cashier processes any cash or money order insurance premium remittances received in cases of hospitalized, domiciled or Veterans who visit their Regional Offices.  2. The Agent Cashiers, upon receipt of insurance premiums, issues a VA Form 24-367, Counter Receipt - Government Life Insurance - Accountable, for each remittance received.  3. The Agent Cashiers schedules all insurance collections on VA Form 24-1551, Transmittal Schedule of Insurance Collections, and sends them to the Philadelphia VA Regional Office and Insurance Center for final processing.  4. The Philadelphia Agent Cashier deposits the checks at the local depositary or FRB, along with submitting the completed SF 215, Deposit Ticket.  5. The Philadelphia Agent Cashier, not the regional office Agent Cashier, forwards a copy of the SF 215 to the local Finance Activity to prepare a financial transaction into the insurance benefit system to record the insurance premium.    D. JURY DUTY  1. The Agent Cashier prepares the VA Form 1027, Field Service Receipt - General – Accountable, for jury duty fees and provides the employee a copy. Also see section D-1 II.3. above.   1. In accordance with [OPM policies](https://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/court-leave/) (5 USC sections 6322, 5537 and 5515), jury duty fee which is for compensating an employee’s expenses, such as transportation, parking, or lodging expenses, does not have to be remitted to VA. if the jury fee is remitted to VA for any reasons, the Agent Cashier deposits it to the current year General Fund Receipts 36X3220, Proprietary Receipts, not otherwise classified. 2. Jury duty fee received from any Federal, State, or local government compensating an employee, who was in a pay status during all or part of the period of jury service, for service rendered as a juror or witness must be remitted to VA. The employee endorses the check to VA. The Agent Cashier deposits the funds in the suspense X3875 and ALAC applies the funds to the GOE, the fund from which the employee is paid. *Note: Jury duty fees should be recorded as a reduction in expense, not as a reimbursement, a CR 20 using the funding that the employee is regularly paid from, with BOC 1101 in FMS.* 3. The Agent Cashier forwards a copy of the VA Form 1027 to the Regional Office Accounting Section for processing in VA’s financial accounting system.   *Note: Government employees serving as jurors for Federal courts do not receive juror fees, unless they are in a non-pay status during all or part of the period of jury service, but they do receive transportation, parking, and lodging expenses. These expenses do not have to be remitted to the employee's agency.*  E. DONATIONS  1. The Agent Cashier prepares a VA Form 1027 Field Service Receipt - General – Accountable and forwards a copy to the RO Finance Officer to determine the correct appropriation to be credited. Also see section D-1 II.3. above.  2. The Agent Cashier prepares a SF 215, Deposit Ticket, citing the appropriation provided by the RO Finance Officer. See [MP4, Part IV, Chapter 2](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/mp4_partiv/Chapter_2_GeneralPostFundDonation.docx) – General Post Fund – Donation for details.  3. The Agent Cashier forwards the SF 215 to Treasury and a copy to the Regional Office Accounting Section, which will make a journal entry into VA’s financial accounting system.  F. FUNDS FOUND ON PREMISES  1. The Agent Cashier prepares a VA 4-1027, Field Service Receipt - General – Accountable, for deposit into the Treasury general fund account. Also see section D-1 II.3. above.  2. The Agent Cashier prepares an SF 215, Deposit Ticket, and forwards it to Treasury for deposit.  3. The Agent Cashier forwards a copy of the SF 215 to the Regional Office Accounting Section to prepare a journey entry into VA’s financial accounting system.  F. FUNDS FOR OTHER ADMINISTRATION DEBTS  1. The Agent Cashier forwards the remittance to the office of jurisdiction, using VA Form 1011, Record of Shipment of Valuables, if the funds received are determined to be for a debt of another Administration (i.e. VHA co-payment).  G. EMPLOYEE CHECKS FOR PAYMENT OF DEBTS OWED VA OTHER THAN BENEFIT OVERPAYMENTS  1. The Agent Cashier issues a VA 4-1027, Field Service Receipt – General – Accountable, to the employee. Also see section D-1 II.3. above.  2. The Agent Cashier prepares an SF 215, Deposit Ticket, and cites the appropriation listed on a bill of collection document, and forwards a copy to the Regional Office Accounting Section to prepare a journal entry into VA’s financial accounting system.  H. UNIDENTIFIABLE FUNDS   1. The Agent Cashier determines from the check’s enclosed information if the check is returned for a deceased Veteran/beneficiary, e.g. reclamation check from a financial institution or check from a fiduciary; notifies VSC to process a First Notice of Death per III.ii.8A.2a., if appropriate; and once the overpayment is established, forwards the check to DMC. 2. The Agent Cashier returns funds to the sender when no debt is on record in VA’s financial accounting system or other subsidiary accounting systems. 3. The Agent Cashier forwards a letter to the sender indicating that the funds cannot be associated with a debt within VA’s accounting systems.   I. VENDOR DEBTS  1. The Agent Cashier matches remittance from the vendor with the bill of collection document, when funds are received from commercial vendors for overpayment of goods and services.  2. The Agent Cashier prepares an SF 215, Deposit Ticket, using the appropriation listed on the bill of collection document.  3. The Agent Cashier forwards the remittance to Treasury for deposit with a copy sent to the Regional Office Accounting Section to record into VA’s financial accounting system.  *Note: The Agent Cashier forwards collections for vendor debts to Accounting in a timely manner so the transactions will be processed during the same month that Treasury processes the transaction*.  J. TREASURY CHECKS  1. The Agent Cashier reviews any Treasury check received at the Regional Office. If a determination is made to cancel the check, the following procedures apply:  • The Agent Cashier determines if the checks should be returned to Treasury and will do so, as soon as possible, but no later than 5 days from the date of receipt.  • The Agent Cashier performs the following steps in addition to stamping all returned checks as "Not Negotiable":  o Checks are marked with the appropriate return reason code (refer to  returned reason codes at http://www.fms.treas.gov/checkclaims/codes\_stop.html), and  o Checks are listed on the actual transmission document, which, at a minimum, should show the agency name, Agency Location Code, and the name and phone number of a point of contact.  *Note: Two people verify the transmittal package before mailing it to Treasury for cancellation.*  **III. Key Internal Controls**   * The RO Finance Officer must ensure that all returned checks are routed to the proper Treasury location. * The RO Finance Officer must ensure all returned Treasury check transmittal slips contain two signatures. |

### 

### D-4 Converting Paper Checks into Electronic Debits Using the OTCnet System

|  |
| --- |
| 1. Financial Policy   An Agency Participation Agreement with Treasury will set forth the terms and conditions of participation in OTCnet System for each new VBA station applying for the program. OTCnet fully automates and improves the collection, reconciliation, research and reporting processes associated with Federal agency over-the-countercheck collections. Each station will coordinate its Agency Participation Agreement application and obtain advanced approval from the VBA/CFO.  VBA will utilize the Treasury OTCnet System for converting paper checks into electronic debits to facilitate the process of depositing checks daily. VBA will use the POS component of OTCnet for processing its check transactions. Note: An exception to this requirement can only be made in the event that an item cannot be processed via OTCnet System, i.e. Savings Bonds, Foreign items drawn on non-US financial institutions, checks that will not scan into OTCnet, etc. In these instances only, Treasury Financial Manual (TFM), Volume 5, Chapter 2000, Paragraph 2040.10 authorizes agencies to prepare an OTCnet deposit ticket, print it and forward it to their financial institution along with the check or cash deposit.  Note: For the OTCnet hierarchy and approval process, the Agency Site Profile will be forwarded to the FSC following approval by the VBA/CFO.  The FSC will then assign an ALC + 2 that will be used by the regional office specifically for the OTCnet process.  The ALC + 2 designations will be unique to the OTCnet hierarchy and numbering system, which will insure that the proper ALC + 2 is being used for each regional office for reconciliation to the OTCnet program. Following the assignment of the ALC + 2 by the FSC, the Agency Site Profile will be forwarded to Treasury for final approval.  II. Financial Procedures  1. All checks deposit via OTCnet System must be scanned and deposited on a daily basis regardless of the dollar amount. Station Finance must maintain a log to record the receiving date of each check.  Note: Total amount of check receipts less than $5,000 still must be scanned and deposited daily. The Finance Officer should set a cut off time closest to the end of the day, e.g. an hour prior to the end of the Agent Cashier’s (or the alternate’s) tour of duty, to ensure that all checks receive on that day get scanned and deposited into the OTCnet.  2. Upon receipt of a completed and signed consumer/business check or money order (presented either face-to-face or through the mail), the Agent Cashier uses the OTCnet System to clear checks or money orders by scanning the documents and converting them into electronic debits to the check writer’s account through the Automated Clearing House system or into a substitute check image that is truncated and cleared under the authority of Check 21.  • The Agent Cashier, or alternate, opens the POS Web site and enters his/her USERID and Password.  • The Agent Cashier, or alternate, selects the ALC + 2 user site (e.g. 36001200 + 2 user site for general deposits).  3. The Agent Cashier scans the check to read the Magnetic Ink Character Recognition data in order to capture a check image. (*Note: If the scanning fails or does not capture a good check image, make a paper copy of the check and rescan the paper copy may help.*) Once the check is imaged, the Agent Cashier enters information into VA-specified configurable fields. A paper check becomes an electronic transaction when the check imager reads the bank account information from the bottom of the check and stores an electronic image of the check. The bank account information is then compared against a database to verify the account is in good standing.   1. The Agent Cashier stamps the check "Electronically processed" if the scanner is not programmed to do so. The Agent Cashier dates and time stamps each item and the OTCnet System will assign a unique transaction identifier number.  * In face-to-face transactions, the Agent Cashier makes a copy of the check and hands the voided check back to the check writer. * For checks received through the mail, the Agent Cashier retains the physical checks. * The copy of or physical checks will be safeguarded and retained for 5 business days. * Make sure there are no problems with file transmission, image quality, and processing of the checks before disposal or destruction. VA Form 1011, Record of Shipment of Valuables is no longer required for these checks. ([TFM, Volume I, Part 5, Chapter 2000, section 2040.20 – Check Capture](http://tfm.fiscal.treasury.gov/v1/p5/c200.html).)  1. When scanning is complete, the Agent Cashier clicks “Batch List” to verify totals, descriptions, and number of items successfully read by the scanner. When finished, he/she returns to the main screen. Once a batch is confirmed, the check image is stored online via OTCnet for 7 years. 2. Once batch is verified, the Agent Cashier clicks “Batch Close” to begin transfer process to Treasury.  * Click “Close all” and a batch listing will be generated. Print the POS Batch List to reconcile back to the total with that of the “Daily Deposit Log”. * Click “yes” to confirm the batch. The batch will then begin transmission from the POS to the Federal Reserve Bank’s ELVIS (Electronic Verification and Imaging System) system.  1. The Agent Cashier downloads the SF 215, Deposit Ticket, and an SF 5515, Debit Voucher, if needed, via the ELVIS system on the next business morning, following the batch transmission.   **III. Key Internal Controls**   * The RO Finance Officer must ensure the Agent Cashier reviews the daily SF 215, Deposit Ticket, and SF 5515, Debit Voucher, reports containing all items being deposited into CA$HLINK II on a daily basis. * The Agent Cashier must use the Treasury OTCnet System to deposit check collections daily. |

### D-5 Convenience Check - Disposal of Unused Convenience Checks

|  |
| --- |
| 1. **Financial Policy**   Effective October 1, 2018, convenience checks are no longer permitted for all VBA purchase card accounts.  In accordance with the VA Financial Policies and Procedures, [Volume XVI, Chapter 1 – Government Purchase Card](https://www.va.gov/finance/docs/VA-FinancialPolicyVolumeXVIChapter01.pdf), paragraph 010213, Inactive Accounts; convenience check accounts with no transaction activity in a consecutive 12-month period will be closed. All unused convenience checks must be properly accounted for and disposed.   1. **Financial Procedures** 2. The A/OPC and RO Finance officer performs a final reconciliation in accordance with D-5.3 above to ensure all issued convenience checks are reconciled and there are no outstanding convenience checks. 3. The Agent Cashier prepares and submits a memorandum to the RO Finance Officer requesting to dispose all unused convenience checks issued to the cardholder with the following information:    * Cardholder’s Name    * Account Number  * Check Numbers of Unused Convenience Checks (e.g. beginning and ending numbers) * Signature Blocks for the RO Finance Officer’s and A/OPC’s Concurrence  1. RO Finance Officer concurs on the Agent Cashier’s request. 2. The Agent Cashier submits the memorandum with the convenience check log and unused convenience checks to the A/OPC for review and concurrence. 3. A/OPC reviews and concurs on the Agent Cashier’s request. All unused convenience checks must be counted and matched against the convenience check numbers on the memorandum. 4. The unused convenience checks are disposed in accordance with [the VBA Letter 20-08-63, VBA Policy on Management of Veterans’ and Other Governmental Paper Records](https://vbawpre.vba.va.gov/USB/letters/2011/VBA_Letter_20-08-63.DOC). 5. The Agent Cashier records the destroyed convenience check numbers in the convenience check log. The log and the memorandum must be kept on file for 6 years and 3 months. 6. **Key Internal Controls**   The A/OPC, RO Finance Officer and Agent Cashier must ensure that all unused convenience checks are properly accounted for before disposing in accordance with the VBA Letter 20-08-63. |

### D-6 Salary Checks Distribution

|  |
| --- |
| 1. **Financial Policy**   The RO Finance Officer will recommend to the DFAS Disbursing Officer the names of all employees to be designated as Agent Cashiers**[[3]](#footnote-3)**, or authorized VBA employees, who can receive salary checks for distribution to employees. Upon receipt of employee salary checks, the Agent Cashier, or authorized employee, will arrange for the delivery of the checks. Upon employee request, the Agent Cashier will also deliver salary checks to a third party.  All existing VA employees will receive wages, salaries and retirement payments by DD/EFT, unless granted a waiver. Once granted, the employee’s salary check will be mailed to his/her station (c/o Agent Cashier or authorized VBA employee). In accordance with 31 C.F.R. 208.4, payment by DD/EFT is not required where an individual determines, in his/her discretion, that payment by DD/EFT would impose a hardship due to a physical or mental disability or a geographic, language or literacy barrier or would impose a financial hardship. The RO Director, or designee, will ensure that such hardship waivers are fully documented and forwarded to the appropriate approving official. For more information on hardship waivers, please contact the Department of Veterans Affairs at VA Benefits: 1-800-827-1000).  *Note: Although this delivery function is not technically a disbursement of funds from assets controlled by the Agent Cashier, or other designated VBA employee, it does represent an “indirect” disbursement function that may be performed by an Agent Cashier.*   1. **Financial Procedures** 2. DISTRIBUTION OF SALARY CHECKS TO EMPLOYEES. 3. The Agent Cashier, or authorized VBA employee, maintains control over all salary checks received and does not distribute them prior to VA’s official payday. 4. The Agent Cashier, or authorized VBA employee, may mail the checks to the entitled employees on a temporary basis prior to the issuance date when the employee is on official leave or travel, and the Agent Cashier has determined that actual check delivery cannot be made before the issuance date.  * The Agent Cashier, or authorized VBA employee, upon receipt of a signed request from an employee, mails the check to the address indicated on the request. If the check is to be mailed to a bank, it is the responsibility of the employee to make the necessary arrangements with the bank and execute a power of attorney in favor of the bank. Generally, employees will prepare VA Form 1301A, *Request for Delivery of Salary Check*, in duplicate to request that the check be mailed. * The Agent Cashier, or authorized VBA employee, retains the copy of the VA Form 1301A, which must be signed by the employee, while the original form will be used as a check insert. The Agent Cashier maintains a record of all checks mailed. * The Agent Cashier, or authorized VBA employee, also mails a check based on a telephonic or telegraphic request, provided a written request has been submitted and signed by the employee's supervisor.      1. The Agent Cashier, or authorized VBA employee, only delivers checks personally, when practical, or by mail to employees leaving VA when he/she has determined the employees are entitled to the full proceeds. 2. DISTRIBUTION OF SALARY CHECKS TO THIRD PARTIES. 3. The Agent Cashier, or authorized VBA employee, delivers an employee salary check to a third party on the basis of the VA Form 1301A, *Request for Delivery of Salary Check,* or any signed request from the employee, and secures written receipts for checks delivered to a third party. 4. The Agent Cashier, or authorized VBA employee, exercises due care to ensure that no employee check will be delivered to a third party to circumvent the prohibition against assignment of salary. Therefore, a request for delivery to a third party will not be honored, if it appears the purpose of such delivery is to facilitate the collection of indebtedness. 5. The Agent Cashier, or authorized VBA employee, releases an employee’s salary check when directed by a court order as in the case of a bankruptcy situation. The Agent Cashier is not required to obtain the employee’s permission in such cases. 6. RETURN OF SALARY CHECKS. 7. The Agent Cashier, or authorized VBA employee, maintains control over all employee salary checks that were not delivered on payday and returns them to the DFAS Disbursing Officer within five days after receipt. The Agent Cashier, or authorized VBA employee, holds undelivered checks up to 30 days after receipt, when it can be determined an employee is on leave. 8. The Agent Cashier, or authorized VBA employee, returns undelivered checks to the DFAS Disbursing Officer when he/she has determined the employees are not entitled to the entire proceeds of the checks. 9. The Agent Cashier, or authorized VBA employee, also returns all employee salary checks to the DFAS Disbursing Officer when he/she has determined that any part of the information appearing on the checks is erroneous with a notation to that effect. 10. The Agent Cashier, or authorized VBA employee, returns all employee salary checks, provided by DFAS to the following address:   DFAS Cleveland Center  ATTN: 19th Floor Vault  1240 East 9th Street  Cleveland, OH 44199-2055  *Note: To the extent feasible, VBA employees (other than Agent Cashiers) who have been designated to distribute employee salary checks do not participate in the preparation or certification of the payroll voucher or personnel action documents or in the maintenance of payroll control or earnings records or the time and attendance reports.*     1. **Key Internal Controls**  * The RO Finance Officer, or designee, must designate in writing all VBA employees, including Agent Cashiers, who are authorized to receive and distribute employee salary checks, and to communicate such information to DFAS. The names and titles of each individual must be in writing and known to DFAS. * Agent cashiers, or authorized VBA employees, must obtain approved and signed VA Form 1031a, *Request for Delivery of Salary Check,* before officially distributing any employee salary check. * Agent cashiers, or authorized VBA employees, must ensure that all waiver requests to the use of the DD/EFT payment mechanism are properly documented to support the physical distribution of employee salary checks. * Agent cashiers, or authorized VBA employees, must retain a record of all employee salary checks delivered to employees, including documentation required to support such distribution as in the case of a court order, personal leave, and official travel. * Agent cashiers, or authorized VBA employees, must account fully for all checks received and distributed, including those returned to VA’s payroll provider marked as undeliverable, within the timeframes required in VBA policy statements (i.e., 5 days; 30 days). * Agent cashiers, or authorized VBA employees, must ensure that the purpose to distribute employee salary checks to third parties is legitimate and not intended to circumvent any prohibition of such distribution. The Agent Cashier will not honor any request for delivery to a third party, if it appears the purpose of such delivery is to facilitate the collection of indebtedness. |

### D-7 Check Cashing Fees

|  |
| --- |
| 1. **Financial Policy**   All cash collections will be converted to check or money order prior to shipment or mailing. Where deemed advisable by the Chief of the Finance Activity, money orders will be purchased and transmitted for deposit in lieu of cash collections received. If the Agent Cashier receives cash, the cash will be converted to a money order before being deposited into the Treasury system. A fee is incurred when converting cash to a money order and the fee will be paid by purchase card.   1. **Financial Procedures** 2. The Agent Cashier takes the cash to a post office, bank, or other issuing institution and converts the cash to a money order. 3. The Agent Cashier obtains receipts for the bank fees and submits them to the local accounting section to process the appropriate accounting transaction. 4. The Agent Cashier deposits the money order into Treasury’s OTCnet System. 5. **Key Internal Controls**  * The Agent Cashier, prior to paying the fee, must ensure that the fee is reasonable and customary for the area and no other free or less expensive options are available. |

### D-8 Safeguarding Assets

|  |
| --- |
| 1. **Financial Policy**   VA managers will comply with Departmental guidance to implement proper physical security controls over assets including those controlled by the Agent Cashier activity, as specified in [VA Handbook 0730, *Security and Law Enforcement, Appendix B*](#SLE). Agent cashiers will be assigned office space that will afford the proper security protection and will permit duties to be performed without assets or valuable documents being accessible to other employees, including VBA’s Finance Office employees.   1. **Financial Procedures** 2. Upon receipt, the Agent Cashier promptly documents all collections received in sufficient detail, including those that have not been deposited, any deposits still in transit, and others that have already been confirmed by a depositary. The Agent Cashier includes the date received, type of collection and dollar amount in their records. 3. The Agent Cashier places all agent-cashier related collections into a secured drawer or file cabinet. To ensure proper protection of assets and documents for which the Principal Agent Cashier and any Alternate Agent Cashier are individually responsible, lockable cash boxes may be procured. Cash boxes and file cabinets will be provided with duplicate keys, one of which will be in the possession of the employee to whom a cash box or file cabinet has been assigned. 4. The Agent Cashier places the keys to the cash box or file cabinet, together with duplicate keys, in the RO Director’s safe, using a sealed envelope properly signed and dated. This practice enables other authorized VBA officials to open the cash box or file cabinet in an emergency. 5. The Agent Cashier seals the envelope in such a manner that it cannot be opened without detection. The envelope is dated and sealed in the presence of the RO Finance Officer and the Principal Agent Cashier and is signed by each of these officials. The envelopes are kept in a safe or vault under the custody of the RO Director and opened only in the presence of the director or assistant director and the Finance Officer. Only these officials are authorized to open the cash box or file cabinet during the absence of the Principal Agent Cashier and the Alternate Agent Cashier. 6. **Key Internal Controls**  * The keys to the cash box or file cabinet and door lock (if applicable) must be changed at least once a year and at any time there is a change of incumbents in the position of Principal Agent Cashier or Alternate Agent Cashier. The keys to the Agent Cashier's cash box or file cabinet must be changed immediately after opening them under an emergency condition. * When the keys to the cash box or file cabinet are changed, a sealed envelope must be prepared and maintained. Changing of keys must be done so only the Principal Agent Cashier and, possibly, the Alternate Agent Cashier has access to the cash box or file cabinet. * Individuals assigned to changing the keys and door locks, if applicable, must be rotated as an effective security measure. |

### D-9 Handling Homeless Claimant’s or Beneficiary’s Correspondence and Benefit Payments

|  |
| --- |
| 1. **Financial Policy**   Per 38 C.F.R §1.710 (d),if a claimant fails or refuses to provide a current mailing address to the VA, all correspondence and any checks for benefits to which the claimant is entitled will be delivered to the Agent Cashier of the regional office which adjudicated or is adjudicating the claim in the case of compensation, pension or survivors' benefits, to the Agent Cashier of the VA facility closest to the educational institution or training establishment attended by a claimant in the case of education benefits, or to the Agent Cashier of any other VA facility deemed by the Agency to be appropriate under the circumstances of the particular case. The claimant, within 30 days after issuance, may obtain delivery of any check or correspondence held by an Agent Cashier upon presentation of proper identification. Checks unclaimed after 30 days will be returned to the Department of the Treasury and the correspondence to the regional office or facility of jurisdiction. Thereafter, the claimant must request the reissuance of any such check or item of correspondence by written notice to the VA. (See M21-1, Part III, Subpart ii, 1.B.6. Handling Returned Undeliverable Mail)   1. **Financial Procedures** 2. The Agent Cashier receives a claimant’s or beneficiary’s correspondence and/or benefit checks when a claimant or beneficiary is unable or unwilling to furnish a correct mailing address but wishes to continue pursuing a claim and/or receiving benefits per M21-1, Part III, Subpart ii, 1.B.6.m. - Claimants Who Are Unable or Unwilling to Furnish a Correct Address. 3. The Agent Cashier returns the check to the Department of the Treasury when a beneficiary fails to collect his/her benefit check from an Agent Cashier within 30 days. *Note: This action suspends the beneficiary’s award.* 4. Agent Cashier returns the correspondence to the RO when a claimant fails to collect correspondence from an Agent Cashier within 30 days. RO follows the procedures in M21-1, Part III, Subpart ii, 1.B.6.c-g for handling undeliverable mail. 5. **Key Internal Controls**  * The Agent Cashier should follow procedures set forth in the M21-1, Part III, Subpart ii, 1.B.6. when handling homeless claimants’ or beneficiaries’ correspondence and benefit payments. |

1. **Management Oversight**

### E-1 Reporting Losses or Theft

|  |
| --- |
| 1. **Financial Policy**   VBA/CFO will require that, in the event of any loss or theft of disbursing funds, other official funds, or assets, all facts will be reported by the RO Finance Office to the FSC’s Agent Cashier Accountability Activity. Regional Offices will adhere to the requirements in the U.S. Government Accountability Office’s (GAO) [Principles of Federal Appropriations Law, Volume II, Chapter 9, *Liability and Relief of Accountable Officers*](#APPRO), in addressing Agent Cashier by check losses during shipment to RO Finance Officer, or designee, for resolution, including notifying the FSC. If necessary, the matter will be turned over to local law enforcement for further investigative action.   1. **Financial Procedures**    * 1. THEFTS 2. The Agent Cashier, upon discovery of the theft, immediately reports the theft to the RO Finance Officer. 3. The RO Finance Officer, in the event of any theft of disbursing funds or other official funds, reports all facts within 24 hours by phone or e-mails to the FSC’s Agent Cashier Accountability Activity. If the loss is reported by phone, a follow-up e-mail will be sent detailing the facts. 4. The RO Finance Officer contacts field offices of the U.S. Secret Service, Federal Bureau of Investigations, and Inspector General to determine whether the theft needs to be reported for further investigation beyond FSC.      * + 1. LOSS IN SHIPMENT OF CHECK TO THE TREASURY        1. The RO Finance Officer immediately reports any Treasury-bound checks for deposit that have been lost during shipment to the nearest U.S. Secret Service and Federal Bureau of Investigations offices, as well as to the local VA Office of Inspector General, the U.S. Postal Service or other mail carrier by which shipmentwas made. * The RO Finance Officer, including the Agent Cashiers, cooperates fully with these agencies to facilitate the investigation and places a tracer on the shipment, whenever advisable. * The RO Finance Officer furnishes the following information, relative to the check loss during shipment, to the FSC’s Agent Cashier Accountability Activity: * Date of shipment; * Amount and character of loss * Name and address of consignee; * Registry receipt number, when applicable, and * Statement of cause of loss, if known. * The RO Finance Officer takes action to stop payment or delivery on the original document immediately upon discovery of the loss, destruction or damage. * Effort is made to obtain replacement of the document without the execution of an agreement of indemnity. * When it is not possible to replace the document, a full report is submitted to FSC’s Agent Cashier Accountability Activity. The report will include a complete description of the document concerned and will be accompanied by two copies of all correspondence, schedules of collections, record of shipment of valuables and other pertinent forms or reports relating to the loss and effort to obtain replacement. * An exception will be made to the reporting requirements if the loss occurred in registered mail sent under postage and fees paid and the full value of the lost shipment does not exceed $100. Under these circumstances, the U.S. Postal Service assumes full liability for the loss. The RO Finance Officer files claims with the local postmaster at the point of dispatch.   + 1. LOSS DUE TO RECEIPT OF COUNTERFEIT MONEY  1. If the loss resulted from the acceptance of counterfeit money and the Agent Cashier is able to determine the source, the Agent Cashier recommends that an appropriate credit adjustment should be made for the collection item. 2. If a depositary detects a counterfeit bill in an RO deposit, it will send the office an SF 5515, *Debit Voucher*, showing the amount of the counterfeit. The RO makes the necessary adjustment and carries the shortage in the control accounts pending resolution.      1. **Key Internal Controls**  * The RO Finance Officer must keep a copy of the report for the loss of shipments or thefts of assets maintained by the Agent Cashier and must take necessary corrective and follow up action until the final determination is made regarding the loss or theft. |

### E-2 Audits and Reviews

|  |
| --- |
| 1. **Financial Policy**   The RO Director, or designee, will contact the RO Finance Officer to perform an audit or review of the Agent Cashier's undeposited collections at least twice a year. Additional audits or reviews may be prescribed as considered necessary. Care will be exercised to vary the scheduling dates and times of unannounced audits to prevent the establishment of any pattern of regularity that will nullify the element of surprise. The audit will be performed by at least two station employees, skilled in fiscal or audit techniques who do not perform Agent Cashier functions. One of the employees, if possible, will be an employee outside of the RO Finance Office, provided that individual possesses the necessary qualifications to perform audits.   1. **Financial Procedures** 2. The RO Finance Officer temporarily suspends all Agent Cashier activities to facilitate the conduct of the audit or review.      1. The Agent Cashier provides the auditors or reviewers with all accountable documents, such as Field Service receipts, shipment of valuables, deposit tickets, if any, and any other form of authorized remittance used by that facility. During the conduct of the audit or review, the auditors or reviewers:      * Take over all cash, vouchers and receipts to establish a cutoff and all of these items will be considered as applicable to the period being audited or reviewed. * Verify the Agent Cashier's cash balance, including all collections received but not deposited. * Reconcile cash received in the mail and recorded in the log book and the cash receipts received by the Agent Cashier since the last audit or review.  1. The Agent Cashier receives a copy of the audit or review report and takes any corrective action that is approved by the RO Director and/or Finance Officer.   **III. Key Internal Control(s)**   * The RO Director, or designee, must review the audit or review report, which includes findings and recommendations, and implement a plan of action to correct any deficiencies. |

### E-3 Relief of Agent Cashier from Personal Liability

|  |
| --- |
| 1. **Financial Policy**   Agent cashiers will be held personally liable for all funds and assets in their custody. Like other accountable officers, they will be regarded as “insurers” and will be subject to strict liability.   1. **Financial Procedures** 2. Requesting Relief for Losses under $3,000.  * For losses under $3,000, VBA grants relief to an Agent Cashier if it determines that the Agent Cashier is not responsible for the loss of funds. * If an Agent Cashier is requesting relief on an amount $200 or less, the RO Director may grant the relief. * If the amount is greater than $200, the RO Director reports the relief request to FSC’s Agent Cashier Accountability Activity and submits a statement containing the following: * Detailed statement of facts of the case, including the type of irregularity, date, amount, and names and positions of the accountable officer(s) and others involved; * Reference to pertinent supporting documents, such as invoices or vouchers; * Description of how the irregularity occurred and how it affected the accountable officer's account; * Description of procedural deficiencies, if known, that caused the irregularity and the corrective action taken or to be taken; * Information on any recoupment already made or being considered; and * Signature of the Agent Cashier requesting relief. * The RO Director maintains the following supporting documentation, as applicable: * Whether the questioned items were proper; * Whether the questioned amounts were recovered from the recipient or the accountable officer; * That the questioned amounts were waived under various waiver statutes, and that a credit in the amount of the waiver was granted to the accountable officer's account as authorized by law; * Any administrative determinations required by the applicable relief statute, when relief is granted by the agency; * Any other authorized administrative actions to resolve the irregularities; and * Any determination denying relief. * The RO Director, or the FSC’s Agent Cashier Accountability Activity, depending on amount of the loss, reviews the case and make a decision as to whether or not relief will be granted. * The RO Director, or designee, notifies the requestor upon the decision. * If VA determines that an Agent Cashier is not liable for the loss, an Agent Cashier prepares an OF 1129, *Reimbursement Voucher*, requesting reimbursement to the fund in the amount of the loss. * If VA determines that an Agent Cashier is liable for the loss, the Agent Cashier replaces the funds with cash. If VA has already restored the lost amount, an Agent Cashier reimburses the RO Finance Office.  1. Requesting Relief for Losses $3,000 and greater:    * For losses of $3,000 and greater, the RO Director forwards the incident to GAO for relief in a report containing the following:  * Copy of any report submitted to GAO pertaining to the case under subsection 8.4.C of the [*GAO Policy and Procedures Manual for Guidance of Federal Agencies,* Title 7](#GAO) (if a report was not submitted previously, a copy of the agency's report should be included); * Description of collection actions taken; * Identification of an appropriation or fund to be charged if an account adjustment is deemed necessary (refer to section 8.14 of *GAO’s Policy and Procedures Manual for Guidance of Federal Agencies*, Title 7); * Any administrative determinations required by the applicable relief statute; and * A written statement by the accountable officer or a notation by the agency that the accountable officer chooses not to submit a separate statement.   *Note: The accountable officer's liability arises by operation of law and the government is not required to prove negligence. Therefore, it is important that all accountable officers be given the opportunity, if possible, to include a statement in their relief requests because they have the burden of demonstrating that the loss occurred without any fault or negligence on their part.*   * + The RO Director sends the request for relief to:   Office of the General Counsel  U.S. Government Accountability Office  441 G Street, NW  Washington, DC 20548   * + The RO Director takes appropriate action upon receipt of a letter from GAO that indicates whether any relief was granted or denied.   + The Agent Cashier, upon notification that a relief was denied, can submit an appeal to GAO containing as much relevant information as possible to support his/her position to reconsider the case.  1. **Key Internal Controls**  * RO Finance Officers must maintain all reports for requests for relief of liability of the Agent Cashiers. Follow-up action will be taken with appropriate authorities until relief is granted or denied. |

# **1.8 Definitions**

* **Agent Cashier.** A cashier is an officer or employee of the Federal government who is (1) designated as a cashier by an approving official, and is (2) authorized to disburse cash or carryout other cash operations.
* **Approving Official.** An approving official is an individual within VA who has been delegated the authority to make cashier appointments or revoke such appointments without the approval of the Treasury‘s Financial Management Service. These individuals are typically finance or accounting officials.
* **Audit.** An audit refers to the process of examining and verifying an Agent Cashier’s accounting books and records, covering a time period for which he/she can be held accountable for specific transactions, including liability for any irregularity attributed to those transactions. An audit involves assessing the entire internal control environment surrounding an Agent Cashier’s operation.
* **CA$HLINK II.** The CA$HLINK II System manages the collection of U.S. government funds throughout the world and provides deposit information to Federal agencies. This system links Federal agencies, commercial banks, the Federal Reserve Banks, and the Treasury Department fund managers together through an electronic network. CA$HLINK II receives deposit information, initiates fund transfers, and concentrates daily deposits made through multiple collection mechanisms into the Treasury's account at the Federal Reserve Bank.
* **Continental United States.** Refers to the 48 contiguous States and the District of Columbia, as defined in the Federal Travel Regulation.
* **Convenience Checks.** Effective October 1, 2018, convenience checks are no longer permitted for all VBA purchase card accounts.

* **Delegation of Authority Memorandum.** A document prepared by the VBA Facility Director, or designee, that identifies the authorizing officials for Agent Cashier activities and who has authority to issue third party drafts when circumstances justify such action.
* **Direct Deposit/Electronic Funds Transfer.** Any transfer of funds, other than a transaction originated by cash, check or similar paper instrument that is initiated through an electronic device or medium for the purpose of ordering, instructing or authorizing a financial institution to debit or credit an account.
* **Disbursing Official.** Any VBA employee who has been designated as an authorized individual to expend public money, as authorized in [31 USC 3321](#DISB), (e.g., Principal Agent Cashiers, Alternate Agent Cashiers, and/or designated employees).
* **Fiscal Irregularity.** Any occurrence in which there is a shortage or overage of public funds; illegal disbursement(s) resulting from fraud, forgery, alteration of vouchers, improper certification, or other improper practices; or improper accounting for receipts and disbursements.
* **Imprest Fund.** A fixed-cash or petty cash fund, in the form of currency, coin, or Government check, that has been advanced to a duly authorized Agent Cashier for cash payment or other cash requirements as specified in the designation or authorization. The fund may be of a revolving type, replenished to the fixed amount as spent or used, or of a stationary nature as a change-making fund.
* **Improper Payment.** Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative or other legally applicable requirements. Incorrect amounts include overpayments and underpayments, including inappropriate denials of payment or service. An improper payment includes any payment that was made to an individual who was ineligible for benefits or performed an ineligible service, any duplicate payment, any payments for services not received as well as payments for an incorrect amount. Moreover, when an agency’s review is unable to discern whether a payment is proper as a result of insufficient or lack of documentation, it is to be considered an error.
* **Internal Controls.** Internal control, in the broadest sense, includes the plan of organization, and the methods and procedures adopted by management to meet its goals. Internal control includes processes for planning, organizing, directing, controlling, and reporting on agency operations to achieve three primary objectives—effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.
* **Memorandum of Transfer.** A document prepared by a departing Principal Agent Cashier and provided to the new Principal Agent Cashier acknowledging transfer of assets. This memorandum officially directs the transfer of duties, documents all outstanding accountability items on hand, specifies the actual dates of the transfer, and ends the transfer process if no cash is involved.
* **Regional Office.** A collection of 56 benefits offices that provide benefits information and process claims. At least one VARO is located within every state and as well as the District of Columbia, Puerto Rico, and the Republic of the Philippines. Some ROs also provide out-based services to Veterans being discharged from active service at various military separation centers around the country and some foreign locations.
* **Review.** A review refers to the process of performing sufficient, but limited, testing of specific transactions or activities, less in scope than an audit, to determine whether the transactions or activities were carried out properly and accurately. A review does not require an extensive assessment of the entire internal control environment other than those controls associated with the transaction or activity.
* **Separation of Duties.** A key concept of internal controls that provides for increased protection from fraud and errors by implementing an appropriate level of checks and balances upon the activities of individuals and by disseminating tasks associated with a specific business process among multiple users. In essence, n**o individual should have control over a transaction from beginning to end.**
* **Third Party Drafts.** Third-party drafts are acceptable alternative payment mechanisms for imprest fund transactions where payment by EFT has been waived under [31 CFR 208](#CFR). The third-party draft system offers agencies improved internal management controls and provides an effective cash management method for reducing the outstanding imprest fund balances currently required by agencies.
* **Treasury Financial Manual (TFM)**. The TFM is the Department of the Treasury's official publication for financial accounting and reporting of all receipts and disbursements of the Federal Government. Treasury's Financial Management Service issues the manual to provide policies, procedures, and instructions for Federal departments and agencies, Federal Reserve Banks, and other concerned parties to follow in carrying out fiscal responsibilities.

# **1.9 Key Forms**

### 1.9.1 Department of Veterans Affairs

* VA Form 0242c Government Wide Purchase Certification Form
* VA Form 1011 Record of Shipment of Valuables
* VA Form 1027 Field Service Receipt – General - Accountable
* VA Form 1301A Request for Delivery of Salary Check
* VA Form 4564 Transfer of Disbursing Authority
* VA Form 24-367 Counter Receipt - Government Life Insurance – Accountable
* VA Form 24-1551 Transmittal Schedule of Insurance Collections
* VA Form 24-5216 Transmittal Schedule of Debt Management Center Collections

For all other VA forms, refer to the [VA Forms Website](http://www.va.gov/vaforms/search_action.asp), or the [intranet VA Forms Website](http://vaww.va.gov/vaforms/).

### 1.9.2 Non-VA Forms

* SF 215 Deposit Ticket
* SF 1149 Statement of Designated Depositary Account
* SF 1164 Claim for Reimbursement for Expenditures on Official Business
* SF 1165 Receipt for Cash – Subvoucher
* SF 1166 Voucher and Schedule of Payments
* SF 5515 Debit Voucher
* VA 0901 Request for Change or Establishment of Imprest Fund (Request for Change form)
* OF 1129 Cashier Reimbursement Voucher and/or Accountability Report
* FMS Form 2958 Delegation of Authority

# **1.10 Key References**

### 1.10.1 Department of Veterans Affairs

* [VA Office of Financial Policy Publications Library](http://www.va.gov/finance/policy/pubs/)
* Volume VIII, [Chapter 2, Electronic Funds Transfer Requirement](http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeVIIIChapter02.pdf)

* [Volume VIII, Chapter 3, Agent Cashier Accountability Policy](http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeVIIIChapter03.pdf)

* [Volume XII, Debt Management](http://www.va.gov/finance/policy/pubs/volumeXII.asp)

* [Volume XVI, Chapter 1, Government Purchase Card](http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeXVIChapter01.pdf)

* [VA Handbook 0730/1,](http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=96&FType=2) *[Security and Law Enforcement, dated August 20, 2004](http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=96&FType=2)*
* [VA Handbook 0730/2, *Security and Law Enforcement*, Revisions to Appendix B, dated May 27, 2010](http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=488&FType=2)

### 1.10.2 United States Code

* [31 USC Chapter 33 – Depositing, Keeping and Paying Money](https://www.gpo.gov/fdsys/pkg/USCODE-2016-title31/pdf/USCODE-2016-title31-subtitleIII-chap33.pdf)
* [31 USC Chapter 35 – Accounting and Collection](https://www.gpo.gov/fdsys/pkg/USCODE-2016-title31/pdf/USCODE-2016-title31-subtitleIII-chap35.pdf)
* [31 USC Chapter 37 – Claims (Debt Collection Improvement Act of 1996, 31 3701 note)](https://www.gpo.gov/fdsys/pkg/USCODE-2016-title31/pdf/USCODE-2016-title31-subtitleIII-chap37.pdf)

* [38 USC Section 309 – Chief Financial Officer](https://www.gpo.gov/fdsys/pkg/USCODE-2016-title38/pdf/USCODE-2016-title38-partI-chap3-sec309.pdf)

### 1.10.3 Code of Federal Regulations

* [31 CFR 202, Depositaries and Financial Agents of the Federal Government](https://www.gpo.gov/fdsys/pkg/CFR-2017-title31-vol2/pdf/CFR-2017-title31-vol2-part202.pdf)

* [31 CFR 208, Management of Federal Agency Disbursements, Final Rule](https://www.gpo.gov/fdsys/pkg/CFR-2017-title31-vol2/pdf/CFR-2017-title31-vol2-part208.pdf)

### 1.10.4 Department of the Treasury

* TFM Volume I, [Part 4, Chapter 1100, Delegations and Designations of Authority for Disbursing-Related Functions](https://tfm.fiscal.treasury.gov/v1/p4/ac100.pdf)
* [TFM Volume I, Part 4, Chapter 3000, Third-Party Draft Procedures for Imprest Fund Disbursing Activities](https://tfm.fiscal.treasury.gov/v1/p4/ac300.html#imprest)
* TFM Volume I, [Part 5, Chapter 2000, Checks and Cash Received in Collections](https://tfm.fiscal.treasury.gov/v1/p5/c200.pdf)
* TFM Volume I, [Part 5, Chapter 3000, Deposit Ticket](https://tfm.fiscal.treasury.gov/v1.html#Part5)
* TFM Volume I, [Part 5, Chapter 4000, Making Deposits](https://tfm.fiscal.treasury.gov/v1.html#Part5)
* TFM Volume I, [Part 5, Chapter 4500, Deposits to Treasury through the Fedwire Deposit System](https://tfm.fiscal.treasury.gov/v1/p5/c750.pdf)
* TFM Volume I, [Part 5, Chapter 4700, Plastic Card Collection Network](https://tfm.fiscal.treasury.gov/v1.html#Part5)

* [Imprest Fund Policy Directive, Department of the Treasury](http://www.fms.treas.gov/imprest/regulations.html)
* [Manual of Procedures and Instructions for Cashiers](http://www.fms.treas.gov/imprest/cashiers_manual.pdf)

### 1.10.5 Office of Management and Budget

* [OMB Circular A-123, Appendix A, Management’s Responsibility for Internal Control](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A123/a123_appx_a_implementation_guide.pdf)

* [OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A123/a123_appendix_b.pdf)
* [OMB Circular A-123, Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2015/m-15-02.pdf)

### 1.10.6 Other Key References

* [Foreign Affairs Manual, Volume 4, Chapter 300 - Cash Management, Department of State](https://fam.state.gov/FAM/FAM.aspx?ID=04FAH03)

* [GAO’s Principles of Federal Appropriation Law, Volume II, Chapter 9, Liability and Relief of Accountable Officers](http://www.gao.gov/special.pubs/d06382sp.pdf)

* [GAO’s Policy and Procedures Manual for Guidance of Federal Agencies, Title 7 - Fiscal Guidance](http://www.gao.gov/assets/80/76194.pdf)

# 

# [**APPENDIX A**](#APPENDIXA)**: IMPREST FUND POLICIES AND PROCEDURES - MANILA REGIONAL OFFICE AND OUTPATIENT CLINIC**

### A-1 Financial Policy Statements

* The Agent Cashier advance account is limited to the minimum amount of cash required to meet only the needs of the Veteran population serviced by the facility. Agent cashiers will receive miscellaneous collections from various sources in the form of cash, checks, bank drafts, traveler's checks, money orders and credit card collections and will ensure that such collections are not commingled with the assets of the imprest fund. Agent cashiers will make legitimate disbursements on a wide range of financial transactions, including accepting and making payment on a variety of negotiable instruments.
* Agent cashiers will prepare monthly accountability reports indicating the status of the imprest fund. All advances and collections will be accurately maintained and verified by monthly unannounced audits. The Agent Cashier will report any fund losses to the proper authority for investigation.

### A-2 Financial Procedures

VBA Manila Agent Cashiers will adhere to all financial policies and procedures contained in Departmental Policy, [Volume VIII, Chapter 3, *Agent Cashier Accountability Policy*](#ACAP), as well as any local policies and procedures that are required due to operations outside CONUS, as required by the Department of State. Refer to [Section 1.10](#_1.10__Key), *Key References*, for additional guidance.

The following paragraphs provide guidance for Agent Cashiers relating to the receipt, disbursement, accountability and control of cash and other funds for which they have responsibility:

* **Receipts**. The Agent Cashier will implement the following procedures relating to the receipts of assets in the fund:
* Prepare certifications of deposits for Global Financial Services (GFS) Bangkok Disbursing Officer’s accounts to cover deposits of U.S. dollars and Philippine pesos collected.
* Receive and deposit remittances in cash and negotiable instruments covering insurance premiums and the sale of Government property through bidding.
* Deposit collections on a weekly basis unless daily collections are $5,000 or greater; deposit collections of $5,000 or greater immediately on day of receipt, if possible.
* Convert the fund replenishment checks into cash as soon as possible to meet immediate cash requirements of the cashier's office.
* **Disbursements**. The Agent Cashier will implement the following procedures relating to the disbursement of assets from the fund:
* Disburse funds to cover approved claims for beneficiary travel, proper expense reimbursements, travel advances, petty cash for purchases/supplies/services, and any revolving fund loan.
* Replenish all paid vouchers and all cash payments in the Windows Automated Cashiering System (WinACS) through the Department of State’s GFS, located in Bangkok, Thailand. WinACS is a software application used by GFS to record cashier operations, such as collections and payments.
* Replenish the petty cash advances of two Alternate Agent Cashiers and coordinate the daily coverage and training of these cashiers.
* **Accountability and Control**. The Agent Cashier will implement the following procedures relating to the accounting and control over the fund assets:
* Maintain separate cash boxes and control records for the VA Manila Regional Office and the Outpatient Clinic to account for the different types of collections and disbursements.
* Prepare and submit monthly accountability reports pertinent to the cashier’s operation to the Bangkok GFS.
* Prepare necessary transmittal of cancelled/returned insurance checks to Austin Treasury for benefits paid by the VA Insurance Center in Philadelphia, PA.
* Maintain all cash advances and other collections accurately to ensure the amounts will be verified by monthly unannounced audits.
* Ensure that all relevant policy and procedural guidance on Agent Cashier activities are current through regular reviews and updates, making suggestions as necessary to modify Departmental policies as they may affect Manila’s imprest fund operation.
* Ensure that the proper temporary transfer of accountability for the imprest fund is made to an Alternate Agent Cashier for a period of two consecutive weeks during the preceding 12 months.
* Ensure that physical security requirements, as well as security controls, are in place.

### 

# **[APPENDIX B](#APPENDIXB): SYSTEM DESCRIPTIONS**

### B-1 VBA Financial/Mixed Financial Systems

* **Benefits Delivery Network (BDN).** The primary services of BDN includes identifying Chapter 31 Vocational Rehabilitation and Employment (VR&E) and Education claimants, tracking claims, viewing records, processing claims, and generating computer letters for development, award, payment, and disallowance. BDN processes entitlements for these VA benefits programs, and it is housed at the Hines Information Technology Center (HITC), located in Hines, Illinois. BDN provides interface to other VBA benefits delivery systems. As such, HITC maintains all VBA databases for education and VR&E claims processing, supports external interfaces (e.g., CWINRS), and provides payment data to the U.S. Treasury, which issues benefit payments. BDN is in the final phase of being replaced by the VETSNET system for compensation and pension awards.
* **Veterans Service Network (VETSNET)*.*** VETSNET represents the core business application and payment system for compensation and pension benefits and some VR&E records, formerly accomplished by BDN. The corporate suite of programs included in VETSNET is housed at the Austin Information Technology Center (AITC), located in Austin, Texas. VETSNET provides interface to other VBA benefits delivery systems and maintains all databases for the benefit programs it supports. VETSNET Finance and Accounting System (FAS) payment records interface with the BDN system where payment data is forwarded to the U.S. Treasury. VETSNET master records are updated immediately when a transaction is authorized, and payments are sent to the Treasury daily. However, batches are used to process monthly recurring payments and other required functions.

VETSNET is a system being developed that includes the following suite of applications that will eventually facilitate the administration of all VBA benefit programs:

* + **Share** - used to establish claims and includes the functionalities for the Search and Participant Profile. It records and updates basic information about Veterans and dependents both in BDN and VETSNET.
  + **Modern Award Processing–Development (MAP-D)** - used to manage the claims development process, including the collection of data to support the claims and the tracking of claims.
  + **Rating Board Automation 2000** - provides laws and regulations pertaining to disabilities, which are used by rating specialists in evaluating and rating disability claims.
  + **Award Processing (Awards)** - used to prepare and calculate the compensation or pension benefit award based on the rating specialist’s determination of the claimant’s percentage of disability. It is also used to authorize the claim for payment through the FAS program.
  + **Subsistence Allowance Module (SAM)** – used to prepare and calculate the VR&E subsistence benefit award. It is also used to authorize the claim for subsistence allowance and education assistance allowance payments through the FAS program. This program is still under development.
  + **Finance and Accounting System** - used to develop the actual payment record, generate various accounting reports, and support the generation and audit of benefit payments.

### B-2 Other VA Systems

* **Financial Management System.** The Financial Management System is a standardized, integrated, VA-wide system which interfaces with the Department of the Treasury, the General Services Administration, the Internal Revenue Service, the Defense Logistics Agency, and various commercial vendors and banks. It is the official system of record for VA’s General Ledger and supports the collection, processing, and dissemination of billions of dollars of financial information and transactions each fiscal year. Besides using the financial management system for accounting functions, VBA also uses it to make unique payments that cannot be handled by BDN/VETSNET. The FSC must set up a vendor’s record with a unique Vendor’s Identification Number for each payee before payment can be made. Treasury’s Financial Management Service ensures that financial systems comply with Government-wide accounting principles and standards and meet financial policy and automated financial exchange requirements. VA’s financial accounting system resides on the AITC mainframe.
* **Centralized Account Receivable System/ Centralized Account Receivable On-Line System (CARS/CAROLS).** CARS/CAROLS is the system used by the DMC to monitor, track, and record collections of VA compensation and pension debts and it is maintained at the AITC. The CARS system generates collection letters to Veterans automatically in a specified sequence with associated timeframes, notifying them of the actions that DMC will take on collection action. CAROLS is a working file that is generated daily by CARS to assist the DMC staff in performing their work; then the file is imported back into CARS. Refer to Departmental Policies, [Volume XII, *Debt Management*](#DEBT), for more information on VA’s debt collection standards, financial policies, procedures and authoritative references.

The figure below shows the relationship between CARS, BDN/VETSNET and FMS systems.



**Figure 2: CARS interfaces with BDN, VETSNET, and FMS**

* **VA Payroll System.** VA’s PAID system is a mainframe application comprised of 2 integrated components, one for Payroll (now migrated to DFAS) and another for Human Resources actions. The HR portion will be replaced by the Human Resources Line of Business solution. Payroll operation involves a coordinated effort between VA’s Human Resources, DFAS, FSC, AITC and local Payroll, covering all necessary actions to issue paychecks for employees for services rendered during each pay period. Key processes include entering employee data to create a master record, charging employee time and leave, establishing pay entitlement and making appropriate deductions, disbursing payments through DFAS, charging the appropriation, making necessary payroll adjustments, reporting payroll expenses in financial statements, and performing reconciliations and verifications of financial information reported to Treasury by DFAS.

### B-3 Other Relevant Systems

* **Over the Counter Channel Application (OTCnet)**. OTCnet was launched by Treasury to provide agencies with a system that combines electronic check conversion and deposit reporting functions. OTCnet offers VA the capability to handle cash, coins, and check deposits using a single Web-based application. OTCnet check capture activities will primarily be performed online; however, there is an offline check capture capability for agencies operating in locations where Internet connectivity and bandwidth are intermittent or unavailable.
* **Electronic Verification and Imaging System (ELVIS)**. ELVIS is a Federal Reserve Bank system used for researching check images. ELVIS is a host application where all check images are stored for 7 years or longer. It also houses a master verification database that includes a listing of all returned PPC-OTC transactions. ELVIS is further used for retrieving deposit/debit voucher reports, viewing/editing the master verification database, and generating various reports

necessary for balancing.

# **[APPENDIX C](#APPENDIXC): BUSINESS PROCESS DESCRIPTIONS**

The Agent Cashier business process is classified into 5 core processes relating to need, designations, training, financial transactions and oversight.

### C-1 Determination of Need

* VBA Regional Offices have a need to account for money received from different sources.  In accordance with the waiver issued by Treasury allowing for imprest funds in mission-critical situations, VBA has established an Agent Cashier activity at the Regional Offices to control the funds.
* Rather than having imprest funds, Regional Offices have safes/locked drawers or similar types of secured locations for keeping assets since they do not carry cash.

### C-2 Designation

* VA will designate certain employees to become disbursing officials, as authorized in [31 USC 3321](#DISBA), to expend public money (e.g., Principal Agent Cashiers and Alternate Agent Cashiers). These funds are used to satisfy the cash needs of Veterans and/or to address declared or other emergency conditions.
* VBA will designate an approving official with the responsibility for appointing and/or revoking an Agent Cashier’s authority as a disbursing official without having to obtain the advanced approval of Treasury’s FMS. The approving official must have a current [FMS Form 2958, Delegation of Authority](https://vbaw.vba.va.gov/VBAORM/fin/fin241c/reference/FMS2958_Delegation_of_Authority.pdf)*,* on file with Treasury.
* The approving official appoints an Agent Cashier by completing [VA 0901, *Request for Change or Establishment of Imprest Fund* (Request for Change form)](http://vaww.va.gov/vaforms/va/pdf/VA0901.pdf). Agent cashiers will be employees of VA. All VA 0901 forms will be forwarded for processing to the FSC’s Agent Cashier Accountability Activity. The VA 0901 must contain the signature of the current facility director with an approved FMS 2958 and the Principal and Alternate Agent Cashier’s names, if applicable.
* A Delegation of Authority Memorandum is prepared by the VBA Facility Director, or other designated official, identifying the authorizing officials for Agent Cashier activities. The Agent Cashier-Issued Memorandum is no longer required since VBA purchase cardholders are not permitted to have convenience checks.
* The Agent Cashier is an accountable officer and is personally responsible and accountable for safeguarding undeposited U.S. Government reimbursement checks, cash on hand, receipts received for deposit, invoices, and other receipts for cash payments.

### C-3 Scheduling and Completion of Training

* In order to educate Agent Cashiers on their various functions and responsibilities, Agent Cashiers should attend training prior to performing any duties. VA has developed a national training class for Agent Cashiers at the FSC which examines the technical aspects of Agent Cashier functions. Topics include understanding current required Agent Cashier manuals, following guidance on cashier functions at integrated sites, and understanding and solving common Agent Cashier problems. Changes in law and regulations and understanding management responsibilities are covered as well. This class is recommended for fiscal staff with at least two years of experience.
* The objective of the training is to provide technical training in Agent Cashier procedures, including laws, regulations and reports.  Instructors illustrate cash management transactions, reporting, documentation, and verification.  After completion of this course the student will be able to:
* Utilize current directives, manuals and handbooks;
* Describe Agent Cashier functions;
* Identify Agent Cashier requirements;
* Describe Agent Cashier transactions and their effect on accountability;
* Review reports for cash verification; and
* Reconcile the cash advance to cash records.

### C-4 Collections and Disbursements

**C-4.1 Collections**

* VA collects debts resulting from individuals’ participation in VA benefit programs, employee overpayments and other miscellaneous collection activities. The majority of checks received are forwarded to the centralized debt collection program located at the DMC. The DMC has been in existence since 1975, with a primary mission of collecting benefit debts as efficiently and cost-effectively as possible while maintaining compassionate, high-quality service to veterans and their families.

* Agent cashiers will deposit checks at the local Treasury Repository when the HFC has jurisdiction of the debt. The local accounting section will record the transaction into the appropriate benefit system. Checks received from Veterans for debts under the jurisdiction of the DMC will be mailed to the DMC for their action. The DMC will forward the checks received to the local Treasury depositary and send a copy to their local Finance Activity to record the transaction into the applicable benefit system. Account. Agent cashiers will deposit other checks received at the Treasury depository for credit to other VA appropriations. These deposits include collections for employee debts, jury duty, donations to VA, and other miscellaneous collections.
* VA may accept credit or debit cards from Veterans wanting to pay for services related to their medical and pharmacy care or benefit debts. Credit or debit cards may also be used by employees, current or separated, who wish to pay for other types of debts where a bill of collection was issued. Card-Not-Present transactions are credit card transactions when the card holder is not physically present, such as those received by telephone or through the mail. The bank is contracted by Treasury to provide the settlement services for credit cards processed by the Agent Cashier.
* In certain instances the Regional Office Accounting Section will record the collections to their station's budget clearing account for either the HFC or the DMC and will make the necessary disbursement from the account via VA Form 4564, *Transfer of Disbursing Authority*, to transfer the collections to the CARS system, maintained at the HFC.
* Agent cashiers should familiarize themselves with currency security features published by the U.S. Department of the Treasury, Bureau of Engraving and Printing, at [www.moneyfactory.gov](http://www.moneyfactory.gov). The Agent Cashier will carefully examine all bills in denominations of $50 or higher prior to acceptance.

**C-4.2 Disbursements**

* Agent cashiers may also be designated to disburse employee salary checks. Although this delivery function is not technically a disbursement of funds, it does represent an “indirect” disbursement function that will be performed by the Agent Cashier position. The RO Director, or designee, will recommend to the DFAS Disbursing Officer, the name of an employee to be designated as an Agent Cashier to receive employee salary checks. The Agent Cashier will be responsible for delivering the salary checks to the employees, personally or by mail, and must follow policy in accordance with Departmental Policy, [Volume VIII, Chapter 3, *Agent Cashier Accountability Policy*](#ACAPA).
* Check cashing fees represent another indirect disbursement function for the Agent Cashier. If the Agent Cashier receives cash, the cash must be converted to a money order before being deposited into the Treasury system. A fee is incurred when converting cash to a money order. The Agent Cashier will use purchase card to pay for this fee.

### C-5 Management Oversight

* Internal controls have been established to ensure an ongoing monitoring process of imprest fund operations. RO Finance Officers will ensure that imprest fund disbursements, audits, and reconciliations have been performed, discrepancy reports submitted to the RO Director, and necessary corrective actions have been taken.
* RO Finance Officers will review the reasons identified and steps taken to rectify the causes of any discrepancies disclosed by Departmental or external review of agency imprest funds. The Finance Officers will complete a report of actions taken and forward to the RO Director.
* Unannounced audits of the Agent Cashier activity are required bi-annually for cashiers with no imprest fund. Management will review these reports to verify that collections are safeguarded, checks are deposited accurately and timely, disbursements are reconciled monthly, and other functions are operating as intended per VA policy.

# **APPENDIX D: LIST OF ACRONYMS**

**AITC Austin Information Technology Center**

**ALC Agency Location Code**

**A/OPC Agency/Organization Program Coordinator**

**BDN Benefits Delivery Network**

**CARS Centralized Accounts Receivable System**

**CAROLS Centralized Accounts Receivable Online System**

CDCO Corporate Data Center Operations

**CFO Chief Financial Officer**

**CFR Code of Federal Regulations**

C&P Compensation & Pension

**CONUS Continental United States**

**DCIA Debt Collection Improvement Act of 1996**

**DD/EFT Direct Deposit/Electronic Funds Transfer**

**DFAS Defense Finance and Accounting Service**

**DMC Debt Management Center**

**ELVIS Electronic Verification and Imaging System**

**FMS Financial Management Service (Treasury)**

**FRB Federal Reserve Bank**

**FSC Financial Services Center**

**GAO Government Accountability Office**

**GFS Global Financial Services**

**HCA Head of Contracting Activity**

**HITC Hines Information Technology Center**

**IT Information Technology**

**NCA National Cemetery Administration**

**OF Optional Form**

**OI&T Office of Information and Technology**

**OMB Office of Management and Budget**

**PAID** Personnel Accounting Integrated Data System

OTCnet Over the Counter Channel Application

**PCCN Plastic Card Collection Network**

**POS Point-of-Sale**

RFC Regional Finance Center

**RO Regional Office**

**SF Standard Form**

**TFM Treasury Financial Manual**

**USC United States Code**

**VA** Department of Veterans Affairs

**VACO Veterans Affairs Central Office**

**VBA** Veterans Benefits Administration

**VETSNET** Veterans Service Network

**VHA Veterans Health Administration**

**WinACS** Windows Automated Cashiering System

1. Veterans Health Administration (VHA) and the VBA Manila Office are the principal VA organizational components using imprest funds. The National Cemetery Administration (NCA) does not use imprest funds, but rather coordinates their Agent Cashier needs through VHA’s local facilities. [↑](#footnote-ref-1)
2. A mixed financial system refers to a feeder system that serves multiple purposes. For example, the BDN/VETSNET systems are operational program systems but they also contain financial data that serves as a subsidiary to VA’s Financial Management System. [↑](#footnote-ref-2)
3. Agent cashiers may also serve as the delivery point for some Veterans’ checks. Refer to Regional Office Financial Procedures Guide, Chapter 5 - VBA Benefit Payments. [↑](#footnote-ref-3)