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FINANCIAL MANAGEMENT  
Accounting Procedures Handbook

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### 3.2 Obligations and Accounts Payable.

A. Introduction. All financial commitments entered into on behalf of the Government must be made in accordance with law, documented and recorded so as to meet the requirements of law, and reported as valid obligations. The Act of 1956 (Public Law 863) amended Section 113 of the Budget and Accounting Procedures Act of 1950, to provide that all Government accounts be maintained on an accrual basis.

This section sets forth the requirements applicable to accounting for and reporting on obligations and the requirements applicable to accounts payable (accrual) to comply with the accrual principle of accounting.

B. Obligations and Accounts Payable Defined. The term "obligations" is used in Federal Government accounting in two senses. First, it is used to denote commitments such as orders for goods or services, contract awards, and similar transactions which legally reserve an appropriation for expenditure. Such transactions are converted into full liabilities, i.e., accounts payable, when the materials are received or the services are rendered. Second, the term "obligations" is used to denote both commitments and full liabilities. Under the latter term such obligations must satisfy the requirements of the Supplemental Appropriation Act of 1955 (31 U.S.C. 200) before they may be considered to be valid. The pertinent parts of Section 1311 are as follows:

"\*\*\*no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of--

- (1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed, or
- (2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or
- (3) an order required by law to be placed with a Government agency; or
- (4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public

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exigency or for perishable subsistence supplies or within specific monetary limitations; or

(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed by law, or (ii) pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; or

(6) a liability which may result from pending litigation brought under authority of law; or

(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or

(8) any other legal liability of the United States against an appropriation or fund legally available therefor."

The purpose for which agencies may incur obligations are limited by the Congress. Administrative discretion concerning the use of appropriated funds may not contravene the appropriation acts or other applicable provisions of law.

C. Relationship of Advances and Prepayments to Obligations. Prepayments and advances to employees, contractors, grantees, and others are recorded as assets. They will not reduce the unobligated balance until performance occurs. As performance occurs vouchers or invoices are submitted to apply the expenditure to cost and reduce the asset account accordingly. Therefore, all purchase orders, contracts, and travel authorizations must be fully obligated even though advances or prepayments have been made. Prepayments of subscriptions, however, are coded to cost and are not recorded as advances. Also, payment to grantees under grants where no performance or reporting by grantees is required or where the payments are scheduled to correspond approximately with performance shall be accounted for as cost incurred.

Although matching outstanding obligations must equal or exceed the amount of outstanding contract advances, such is not necessarily the case of travel advances. Travel advances may be either specific (for a trip only) or permanent (retained for monthly travel). When a permanent travel advance is made, the monthly travel authorization may not always equal or exceed the amount of the advance since the travel advance is based on need over a period of time.

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D. Recording of Obligations. All obligations shall be promptly recorded against the applicable appropriations. When the amount of an obligation is not known at the time it is incurred, it should be estimated. Appropriate adjustment will be made when it is later disclosed that the obligation was incorrectly estimated by a significant amount.

E. Control Over Obligations. "If an agency doubts whether a certain transaction may be properly recorded and reported as an obligation, a decision may be obtained from the Comptroller General upon request submitted by the head of the agency. Prior to an agency's requesting such a decision from the Comptroller General, it should determine that the question involved has not been answered in previous decisions published by the Comptroller General." (7 GAO 17.2)

If there is a question as to the propriety or legality of a proposed obligation, a brief statement regarding the questionable item shall be submitted to the Central Office. The Central Office will either furnish the requesting office with cited authority or obtain a decision from the Comptroller General.

F. Fund Control and Prevalidation. An appropriation may be obligated only during the period for which it was authorized by Congress. Although obligations are not full liabilities in the "first sense" defined above, they must be kept within the amounts of allotments and apportionments in order to comply with the legal requirements for financial control, and thus to reserve a sufficient balance in the allotment to cover the resulting actual liabilities. Fund control and prevalidation of funds is covered in detail in section 3.17 of this handbook.

G. Reconciliation of Obligations. The outstanding obligation documents shall be reconciled with the controlling accounts periodically and as of June 30 of each fiscal year. Such reconciliation is covered in detail in section 3.19, Internal Controls and Reconciliations, of this handbook.

H. Review and Follow-up of Outstanding Obligations. Vigorous action shall be taken to clear old outstanding obligations and unpaid accounts payable to assure that items remaining outstanding are valid.

I. Reporting of Obligations. Section 1311 of the Supplemental Appropriation Act, 1955, Public Law 663, approved August 26, 1954, 31 U.S.C. 200, prescribed reporting and related requirements concerning obligations of the Government. The regulations resulting from this enactment are covered in 7 GAO 17.5. The Commissioner or his designated representative will certify all reports as to the validity and correct-

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ness of obligations. He may in turn require accountable officers to submit certified reports to him.

J. Basis for Accrual. The accrual principle of accounting provides for accrued expenditures to be recorded when the materials are received or the services performed, without regard to the disbursement of funds. This is the point in time at which the Government actually incurs a liability requiring immediate or eventual payment, including constructive delivery in the case of construction put in place and work performed by contractors on specific order.

When obligations mature, they are converted to an accounts payable and recorded as an accrued expenditure. Where an obligation is recorded covering the expenditure which accrued within an accounting period, the obligation figure may be the best estimate of the amount of the expenditure incurred. Such obligations may be initially accrued as accounts payable (TC 14) without going through the obligation stage (TC 13). For example, certain travel authorizations, transportation requests, Government bills of lading, and recurring orders may be accrued upon issuance. These and other items enumerated below must be accrued on a timely basis in order to properly reflect the program accomplishments.

(1) Unpaid Invoices. Unpaid invoices from vendors covering shipments received should be used when available.

(2) Receiving Reports. Receiving reports showing quantities received and whether a given shipment is complete or partial are to be used in determining the amount of the accrual when the invoice has not been received.

(3) Personal Services. The unpaid portion of personal services will be accrued by the Branch of Payroll, Albuquerque, New Mexico, based upon the last pay period paid during the month.

(4) Leave. Earned leave is not funded for the Bureau until it is taken or becomes payable as terminal (lump-sum) leave. Therefore, only leave taken and terminal leave shall be accrued. Leave taken is included as a part of the accrual under item (3) above. When an employee is terminated, an MOR shall be submitted to the servicing finance office on an estimated basis to cover terminal leave. When payment for such leave appears on the Payroll Listing, the MOR shall be liquidated by the finance office.

(5) Travel Authorizations. Monthly travel authorizations and travel authorizations issued on a trip basis shall be accrued upon

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receipt during the month such travel is performed. Travel authorizations covering transfers shall be accrued upon notification that transfer expenses have been incurred.

(6) Transportation Requests. Transportation requests shall be accrued upon receipt of the memorandum copy of SF 1169a.

(7) Transportation - GBL's. If the amount of unperformed transportation is not likely to be substantial, the accrual may be recorded when the government bill of lading is issued. Otherwise, the GBL shall be accrued based on receipt of the completed memorandum copy of the bill of lading, together with the consignee copy of the carrier's freight or express ticket.

(8) Recurring Charges. Accruals for recurring charges for services and deliveries under contracts and utilities should be accrued at the beginning of the month based upon estimated amounts for a full month.

(9) Contracts (Constructive Basis). Constructive receipt of goods or other tangible property, rather than the physical receipt or the passing of legal title, is the measure of the accrual in certain cases. When a contractor provides goods to the Government which he holds himself available to sell to others, the accrual occurs when physical delivery by the contractor and receipt by the Bureau takes place and title passes. However, under some contracts, such as where a contractor builds or constructs roads, buildings, or other facilities, or manufactures goods or equipment to the Government's specifications the liability to pay for work is incurred as it is performed by the contractor rather than when deliveries are made. Illustration 2 is prescribed for accruing the constructive receipt of contracts. (Also see section 2.10D(2) of the Accounts Handbook covering transaction codes 14 and 34.)

K. Fiscal Year Chargeable. As a general rule obligations are chargeable to the fiscal year in which they are incurred or committed, however, there are certain exceptions as shown under section 3.2L. Another basic rule is that there must be a bona fide need in the fiscal year for lawfully obligating the appropriation available at the time of issuance. (44 CG 695) Special attention must be given to year-end buying to assure that there is a bona fide need at the time of obligating funds. Although the balance of expired appropriations may be used to pay bona fide obligations properly incurred during that year, regardless of whether previously obligated, care must be exercised to assure that all obligations are recorded promptly. Some items that may be questionable as to the fiscal year chargeable are covered below. They

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are not intended to be all inclusive and when there are doubts as to the fiscal year to be charged, reference should be made to Comptroller General's decisions or inquiry should be made to the Central Office as covered in section 3.2E.

(1) Subscriptions. The authority in the act of June 12, 1930, as amended, to make advance payments of subscription charges for publications, includes the authority to charge the whole cost thereof to the appropriation for the fiscal year current when the subscription contract becomes effective. (24 CG 163)

(2) Terminal (Lump-sum) Leave. The entire lump-sum annual leave payment is chargeable to the fiscal year available for payment of the salary of the employee on the date of his separation from service, regardless of whether the leave period extends into the next fiscal year. (41 CG 761)

(3) Travel. Travel expenses, such as per diem, mileage, and miscellaneous items, are chargeable to the fiscal year appropriation current at the time the expenses are incurred. (42 CG 699)

(4) Travel Advances. Travel advances are charged to the fiscal year in which made; however, at the beginning of the next fiscal year all outstanding travel advances will be transferred by computer program to the succeeding fiscal year.

(5) Transportation.

(a) Government Bill of Lading. The fiscal year chargeable is the appropriation current as of the date the bill of lading is served upon the carrier. (26 CG 961)

(b) Transportation of Household Goods. When payment for the transportation of household goods and storage expenses is to be made by the employee, the obligation of the Government for reimbursement upon a commuted basis arises only when such expenses actually have been paid by the employee. When the employee's household goods are shipped at Government expense, the cost involved is chargeable to the fiscal year appropriation current at the time the carrier picks up the goods. (28 CG 337 and 31 CG 471)

(c) Transportation Requests. When a transportation request is exchanged for a ticket near the end of one fiscal year for travel to be performed in the following fiscal year, the cost of such transportation is chargeable to the fiscal year in which travel commence (26 CG 961)

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(6) Utility Services. When the period covered by charge for telephone services and for metered services such as gas and electricity begins in one fiscal year and ends in another, the entire amount of payments may be charged to the appropriation current at the end of such period. Under this procedure there would still be twelve monthly payments in each fiscal year. (18 CG 937, 19 CG 365, and 42 CG 659)

L. Year-end Adjustment of Obligations. Ordinarily obligations are chargeable to the fiscal year in which they are committed; however, some obligations are chargeable to the fiscal year in which the obligation is consummated. Therefore, the following obligations should be reviewed at the end of the fiscal year to determine the fiscal year chargeable.

(1) Travel Authorizations Covering Transfers. Such authorizations are chargeable to the fiscal year in which the items allowable are accomplished. For example, when the transfer is accomplished, real estate charges are incurred, and the transfer of household goods are paid by the employee. Therefore, the portion not accomplished by the end of the fiscal year in which obligated should be cancelled and re-established in the following fiscal year.

(2) Government Bills of Lading. Bills of lading are chargeable to the fiscal year current as of the date each bill of lading is served upon the carrier. For bills of lading which have not been served upon the carrier by the end of the fiscal year in which obligated, the obligations should be cancelled and reestablished in the following fiscal year.

M. Obligation Transactions.

(1) Numbering of Obligations. For document control purposes one series and one series only shall be used by each installation for each type of obligation document, i.e., one series of purchase orders, one series for travel authorizations, one series for advances, and one series for MOR's. Care should be exercised to see that all document references are numbered in the proper sequence as illustrated below.

(a) Advances.

2H50-01A0001

2	H50	-01	A	0001
(FY)	(Area and Agency)	(Headquarters or Camp)	("A" for Advance)	(Sequential num- ber of Advance)

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(b) Purchase Orders. Imprest cash vouchers also may be numbered in sequence with installation purchase order "document reference" series in order to facilitate recording in the Procurement Register.

2H50-0100001

2	H50	-01	00001
(FY)	(Area and Agency)	(Headquarters or Camp)	(Sequential number of Purchase Order)

(c) Contracts. The document reference of a contract may be either a purchase order number or the contract number if no covering purchase order is issued. Following is an illustration of a contract number reference.

H00C14203520

H00	C	1420	3520
(Area)	("C" for Contract)	(Department-Bureau)	(Contract Number)

(d) Fedstrip.

(i) Processed by Area Offices. When non-stock, equipment, and emergency orders are processed by the Area Office, such orders may be assigned purchase order numbers for obligational purposes.

(ii) Processed by Fedstrip Section, Albuquerque, New Mexico. Numbers will be assigned by the Fedstrip Section as follows:

1483A812420051

1483A8	1242	0051
(Fedstrip Code)	(Julian Date)	(Line Item)

(e) Travel Authorizations.

2H50-01T0001

2	H50	-01	T	0001
(FY)	(Area and Agency)	(Headquarters or Camp)	("T" for T.A.)	(Sequential number of T.A.)

(f) Transportation Requests (TR).

H50TA0049317



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sheets for initial obligations and accruals shall be fully coded as to document reference and accounting data. For illustrations of coding sheets see section 2.11 of the Accounts Handbook.

(4) Multiple line entries and reestablishment of obligations and accounts payable. Except for Fedstrip items, the document reference numbers for multiple line entries, amendments, and reestablished items shall be assigned alpha suffixes as indicated below.

(a) Multiple line entries. Multiple line entries on coding sheets will be assigned unique document reference numbers by use of the basic document reference in position 1-12 and the preprinted alpha suffix in position 13 as follows:

Document Reference Field 1

1-12	13	14
2H50-010000]	A	
	B	
	C	
	D	
	E	
	F	
	G	
	H	

Multiple line entries requiring more than 1 page (8 lines) will be assigned unique document reference numbers by use of the basic document reference (positions 1-12), the preprinted alpha suffix (position 13) and the use of position 14. Page 1 will be blank in position 14, Page 2 will be coded "A" in position 14, Page 3 will be coded "B" in position 14, and the following pages will be assigned the next letters of the alphabet.

(b) Amendments and reestablishment of partial obligations and accounts payable. The above method will also be used in processing coding sheets for amendments and reestablishment of partial obligations and accounts payable. Coding sheets for these type of transactions will be prepared by the finance office.

Document Reference Field 1

	1-12	13	14
Original obligation	2H50-0100001	A	

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First partial processed  
and balance reestablished 2H50-0100001 A A

Second partial processed  
and balance reestablished 2H50-0100001 A B

(5) Transmittal of Documents. (The control and flow of documents is covered in detail in section 3.16 of this handbook.)

(a) Obligation Documents. All obligation documents, with covering coding sheets, shall be submitted promptly to the finance office.

(b) Receiving Reports. Receiving reports shall be submitted promptly upon receipt of materials and services to ensure payment of obligations as soon as practicable after they become payable and to properly reflect accounts payable on a current basis.

(i) Partial Receiving Reports. A copy of the yellow purchase order copy shall be submitted marked "Partial #\_\_\_," with the items received circled, the total amount of the circled items shown, and the receiving agent certification dated and signed.

(ii) Final Receiving Reports. As copies of the purchase order are forwarded covering partial receipts, such items shall be lined out on the yellow copy. When the the final items are received, the yellow copy shall be submitted marked "Final."

(iii) Equipment Receiving Reports. A copy of Form 5-4310, "Property Accountability Transaction," shall be attached to the receiving reports for "capitalized" equipment.

(iv) Contracts (Constructive Basis). Illustration 2 shall be submitted by the 25th of the month.

(c) Invoices. Areas may require that invoices be submitted by vendors through field installations or direct to finance offices. If invoices are submitted through field installations they shall be transmitted promptly with the receiving report, unless the receiving report has been submitted previously as provided under 3.2M(5)(b). In those instances, when invoices are submitted through field installations, an administrative review shall be made by the servicing finance office to independently verify the correctness, validity and completeness of the documents. Also, under certain circumstances, review and certification may be required in field offices, necessitating routing documents through approving officials.

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All "discount" invoices shall be covered by a red tab showing the final discount date. (Also see sections 3.3, Vouchers and Disbursements, and 3.16, Control and Flow of Documents, of this handbook.)

(6) Documentation of Obligation Transactions. Specific requirements for documentation of obligation transactions are set forth below.

(a) Travel Authorizations. Travel Authorizations, DI 1020, issued on a trip or monthly basis, are to be submitted on the date of issuance. Estimated cost of transportation by common carrier should not be shown on the travel authorization as such charges will be accrued from the transportation request.

(i) Travel Advances. Travel advance document numbers shall be cited on the travel voucher when applying the travel advance. For this and other reasons, field installations should maintain a card record of all outstanding travel advances. This card record is in addition to SF 1038, Application and Account for Advance of Funds, which is to be approved and maintained by the servicing finance office. Instructions relating to reconciliation, review, and follow-up of travel advances are covered in detail in section 3.19, Internal Controls and Reconciliations.

The traveler's social security number must be shown on all documents involved in travel advances such as the travel advance card, SF 1038; travel authorization, Form DI 1020; and travel voucher, Form SF 1012.

(b) Transportation Requests. Upon issuance of the original transportation request, the memorandum copy, SF 1169a, shall be submitted to the finance office immediately upon purchase of a ticket. DO NOT HOLD FOR SUBMISSION WITH TRAVEL CLAIM. Any change in accommodations or routing after the issuance of a transportation request shall be reported on SF 1173, "Report of Change in Passenger Transportation Service".

(c) Government Bills of Lading. Two copies of government bills of lading shall be forwarded promptly upon issuance.

(d) Contracts. For Bureau contracts, the Letter of Award is the authority to obligate funds; however, Areas may issue purchase orders for internal use. When purchase orders are issued the original order must be destroyed.

(e) Purchase Orders. The blue "obligation" copy of the purchase order shall be submitted promptly upon issuance.

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(f) Installation Charges. Installation charges for all utility services shall be obligated by the issuance of an MOR or purchase order.

(g) Recurring Charges. Recurring charges shall be obligated promptly at the beginning of each month. There are two methods for recording of recurring obligations. Areas may elect to use either method.

(i) Method 1. Issuance and submission of purchase orders or MOR's by field installations.

(ii) Method 2. Issuance of purchase orders for obligational purposes by the Area Office based upon requests from field installations. Illustration 3, Request for Issuance of Purchase Order for Recurring Charges, has been prescribed for this purpose.

(aa) At the beginning of the fiscal year, field installations shall submit this form to the Area Office Branch of Property and Supply. This form is a request for Property to issue a recurring order on a monthly, quarterly, or other basis as shown on the form. The request form furnishes all the information needed to issue a recurring order. Separate requests must be submitted to conform to company billings. For example, if one company submits two billings each month for separate items, two requests are required as two purchase orders will be issued. This eliminates the need for partial payments. These request forms are submitted only once at the beginning of the fiscal year except when information needs to be modified.

(bb) Based on the requests, the Branch of Property cuts paper tapes on a flexo-writer machine.

(cc) Each month a block of purchase order numbers are obtained from field installations to cover the number of recurring orders to be issued for each office.

(dd) Each month the paper tapes are run through the flexo-writer, inserting the purchase order number and date, and the purchase order is cut.

(iii) Types of Recurring Charges obligated by MOR or Purchase Order. Following are examples of recurring orders which may be obligated by using either of the above methods.

(aa) Utility Services (including Telephone

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Services).

(bb) Rentals and Maintenance Contracts.

(cc) Rental of GSA Vehicles. A summary of actual charges shall be shown on the receiving report fully coded as to accounting information, including object class.

(dd) Telephone Tolls. In order to charge telephone tolls to the proper activities, a telephone toll register shall be maintained by each field installation. A summary of actual charges shall be shown on the receiving report fully coded as to accounting information. Also, certification shall be made on the telephone bill as required by law (53 Stat. 7380). (Also see section 3.3, Vouchers and Disbursements, of this handbook.)

(h) Imprest Cash. Imprest cash vouchers, assigned in the purchase order series, shall reflect the summary of charges on the voucher.

(i) Telegrams. Telegrams may be obligated by MOR.

(j) Credit Card Purchases. Service station deliveries may be obligated by MOR at the beginning of each month on an estimated basis. Upon receipt of an invoice a summary of charges shall be prepared and attached to the invoice with the MOR number cited thereon.

(k) Advertising. Two copies of the Advertising Order, SF 1143, shall be submitted for obligation purposes. At the time of preparation a regular purchase order number shall be assigned for identification purposes.

(l) Fire Suppression Services. Cooperative fire suppression services rendered by private logging companies or other private firms shall be obligated promptly by the issuance of a purchase order.

(m) Refunds and Reimbursements. When one activity owes another activity within the Bureau for services performed, rental of equipment, or other items, an obligation document shall be issued promptly by the owing activity at the time the obligation is incurred. Subsequent adjustment of funds shall be treated as a refund to the furnishing activity. When another government agency performs work for the Bureau, an obligation document shall be issued promptly by the owing activity at the time the obligation is incurred to cover the subsequent reimbursement to the government agency.

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(n) Direct Payments (Vouchers, Grants, Per Capita, Tribal Advances, and Other Direct Payments). Such vouchers shall be assigned MOR numbers for identification purposes.

(7) Obligations Cancelled or Amended. To provide positive fund control, obligations incurred should be cancelled or amended as required on a current basis.

(a) Amendments. Obligations shall be amended on the same type of form on which the original obligation was incurred using the same document reference number and adding the wording "Amendment #1" or "Amendment #2," as the case may be.

(b) Cancellation.

(i) Purchase Orders. Purchase order obligations shall be cancelled by issuing a "cancellation" purchase order.

(ii) Other. Other obligations shall be cancelled by submitting a copy of the original obligation marked "cancelled" to the finance office.





Illustration 2  
Reverse side

INSTRUCTIONS

Under some contracts, such as where a contractor builds or constructs roads, buildings, or other facilities, or manufactures goods or equipment to the Government's specifications the liability to pay for work is incurred as it is performed by the contractor rather than when deliveries are made.

Illustration 2 is prescribed for accruing the constructive receipt of contracts. A separate form must be submitted for each ongoing contract by the 25th of the month and cover the estimated completion through the end of the month. Finance offices will use transaction code 34 to establish accounts payable. This transaction code does not liquidate a previous obligation, however, this transaction code does generate general ledger entries to reduce the unliquidated obligation balance and increase the accounts payable balance in the reports. Therefore, transaction code 14 entries will be made ONLY on the basis of partial receiving reports presented for payment. TC 34 transactions will not be retained in the Document Master File but will be reversed from the system by computer program at the beginning of the next month following the month entered. Illustration 2 must be submitted each month to reflect the difference between the estimated amount of completion less vouchers presented for partial payment.

Following is an example of how a purchase order with TC 13, 14L, and 34 transactions will appear on the current month Accounts Payable and Undelivered Orders Report.

Document Number	Undelivered Orders	Accounts Payable	TC
1P09-0100436B		12000.00	14L
1P09-0100436C	90000.00		13F
Total U/O and A/P	90000.00	12000.00	
1P09-0100436	7500.00-	7500.00	34
Total A/P-Contracts (Constr. Basis)	7500.00-	7500.00	
Net Total	82500.00	19500.00	

REQUEST FOR ISSUANCE  
OF  
PURCHASE ORDER FOR RECURRING CHARGES

TO: Branch of Property, \_\_\_\_\_ Requestion Order No. \_\_\_\_\_

FROM: \_\_\_\_\_ Date \_\_\_\_\_

Area and Agency	Location Project Camp/Tribe	Tribal Appropriation FY	Activity	Cost Code	Work Order	Object Class	Amount

Contractor (Name and Address)

Consignee and Address

To be billed:  Monthly  Quarterly  Triannually  Other

Contract/Meter Telephone/or GSA Vehicle	Service and Period Covered	Total No. of Months	Amount Per Month	Amount

By \_\_\_\_\_

Title \_\_\_\_\_

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### 3.3 VOUCHERS AND DISBURSEMENTS

#### A. Cash Management of Disbursements

(1) Scope. This section establishes the policy and procedures for the cash management of disbursements as required by Treasury Fiscal Requirements Manual Volume I, Part 6, Chapter 8000. Compliance with these cash management procedures will improve the Bureau's cash management of disbursements; vouchers will be paid when due, as good business demands, but the money will remain available to the Treasury Department as long as possible. Premature payments cause a decrease in earning of interest or an increase in borrowing by the Treasury Department, and therefore may not be permitted.

(2) Policy. Procurement officials must ensure that payment terms, which specify when payment will be due, are contained in all contracts, purchase orders, and other procurement arrangements for the purchase of goods or services from any organization outside the U.S. Government. Invoices, vouchers, bills, statements, requests for progress or final payments, or any documents (referred to in this part as "invoices") which are authorized for payment by the Bureau will be paid when due. Invoice due dates will be determined as described in 3.3A(3), (4), and (5). Payments will not be made on invoices prior to the receipt of the related goods or services except as specifically provided by contract or other agreement executed pursuant to law. All Bureau employees involved in the payment process must ensure that adequate control is kept over the timely payment of invoices and the taking of appropriate discounts. Bureau financial activities must be conducted in a manner which will make available to the Treasury Department on a continuing basis the maximum amount of cash for investment and to avoid unnecessary borrowing. Accomplishment of this objective requires active participation of procurement officials, receiving clerks, mail clerks, finance officers, voucher examiners, and certifying officers.

(3) Due Date of Non-Discount Invoices. The Bureau will schedule the issuance and mailing of checks in payment of non-discount invoices for receipt by the payee as close as administratively possible to the due dates as determined in accordance with the following criteria:

(a) No Due Date Specified. When no due date is specified in the invoice, contract, purchase order, or other agreement, the due date will be the 30th day after receipt of the invoice at the BIA installation specified in the ordering document. However, if the goods or services have not been received by the 15th day before the due date, then the due date shall be extended to the 15th day after receipt of the goods or services at the place of acceptance.

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(b) Due Date Specified. When a due date is specified in the invoice, contract, purchase order or other agreement, the payment will be scheduled for receipt by the payee as close as administratively possible to the specified due date. However, if the goods or services and the related invoice have not been received by the 15th day before the specified due date, then the due date shall be extended to the 15th day after receipt of the goods or services or related invoice, whichever is later. Terms should not be negotiated to provide for specified due dates which give the Bureau less than 15 days to make payment.

(4) Due Dates of Discount Invoices. The due date for a discount invoice is the last day of the discount period. All discounted payments (payments where a time discount is offered for prompt payment) are to be made on the last day of the discount period. The check is to be scheduled for issuance on the last day of the discount period. (See Section 3.3A(12) regarding discount periods.)

(5) Effect of Non-Work Days on Due Dates. In any case where the due date falls on a non-work day, the due date will be extended to the next regular work day.

(6) Forwarding Schedules of Payment to Regional Disbursing Offices. All certifying locations will manage disbursement schedules so that checks will be received by the payee as close as administratively possible to the due date without exceeding the due date (except for discounted invoices, where the check is to be issued on the last day of the discount period). To achieve the goal of having the payment check in the payee's possession by the due date, the general policy is to schedule payments as close as administratively possible for check issuance by Regional Disbursing Offices two days prior to the due date. Schedules are not to be forwarded to RDO's substantially in advance of the due date.

(7) Exemptions. The following are exempted from these procedures:

- (a) Advance payments.
- (b) Grant payments to individuals
- (c) Travel vouchers
- (d) Payments to other Federal agencies
- (e) Imprest cash replenishment vouchers.
- (f) Payments from Tribal trust and escrow accounts.

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(8) Waivers. Offices may request waivers from these procedures for specific types of payments. Offices desiring to obtain a waiver should forward a request for waiver to the Division of Accounting Management, which will review the request and take further appropriate action. This request should identify the specific requirements, state the reason for the request, the period of time to be covered by the waiver, and any documentation in support of the request.

(9) Procurement Provisions. Provisions of existing contracts and other formal agreements not in compliance with 42 BIAM Supp.3, Section 3.3A at the time of release shall not be amended to bring them into compliance unless they are otherwise subject to renegotiation or amendment. If they are subject to renegotiation or amendment, the cash management provisions shall be brought into compliance at that time. Although the Bureau does not require it, procurement documents which go to vendors may contain a general statement of the Bureau's bill paying policy; (i.e., the Bureau is concerned with past practices, and is trying to bring its payment policy into line with common private sector practices, and will attempt to pay bills when due). In negotiating future contracts, procurement officials must ensure that contracts are not negotiated which provide for payment periods which the Bureau will be unable to meet except by special handling of the related invoices.

(10) Documentation of Data Used to Determine Due Dates. The package containing the invoice and supporting documentation must show the following appropriate information to enable the certifying location to determine the due date of the invoice:

(a) Receipt of Goods or Services. The actual date (month/day/year) the goods were received or the services accepted must be shown in the "Date Received" block of the Standard Form 147 receiving report or other document evidencing receipt.

(b) Preparation of Receiving Report. The date of preparation and signing of the receiving report must also be shown.

(c) Receipt of Invoice. The invoice must also be receipted to show the date received in the appropriate office designated in the procurement document, and the name of the office.

(d) Responsible Officials. Finance Officers are responsible for ensuring that these documents contain this information before submission of the invoices to the Disbursements Section of the Division of Accounting Management.

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(e) Prompt Handling of Voucher Packages. Area Offices are to utilize procedures which provide for prompt handling of invoices and supporting documentation and receipt in the Disbursements Section as early as possible, but no later than 8 work days before the due date of the invoice. This will allow sufficient time for voucher examination, scheduling, transmittal of the schedule to the RDO, issuance of the payment check, and mail time to the payee.

(11) Payment of Interest Charges. Interest charges for late payments will be paid by the Bureau only when provided for in legal and proper contracts or when allowance of interest charges is specifically directed by statute.

(12) Discount Invoice Processing Procedures. Bureau officials involved in the payment process shall incorporate procedures which will automatically take advantage of cash discounts as a matter of routine and eliminate any need for special handling. Such discounts will be taken only when the discount terms applied in the formula below yield an effective annual interest rate of equivalent to or greater than the percentage rate based on the current value of funds to the U.S. Treasury. The computation of the discount period shall be based on the date of receipt of the invoice unless otherwise provided in the contract or invoice as to how the discount period is to be determined. Area Finance Officers are to ensure that, if it appears that a discount would be lost due to the time required for forwarding the payment request to the Disbursements Section, the payment is instead scheduled locally, in time to earn the discount. All discounted payments will be scheduled for check issuance on the last day of the discount period. (Payments may not be made to achieve discounts unless the related goods or services have been received, except as specifically provided by contract or other agreement executed pursuant to law.)

The conversion formula to convert discount terms to an effective annual interest rate for use as a comparison against the percentage rate based on the current value of funds to the U.S. Treasury is as follows:

$$\frac{\text{Discount \%}}{100\% - \text{Discount \%}} \times \frac{360 \text{ Days in Year}}{\text{Days to Due Date Less Document Period Days}} = \text{Effective Annual Interest Rate}$$

Example:

Discount Terms: 1/2% in 10 days, net 30 days.

$$\frac{.005}{1 - .005} \times \frac{360}{30 - 10} = .09 = 9\%$$

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Based upon this example, if the percentage rate based upon the current value of funds to the U.S. Treasury was 9% or less, the discount would be taken.

Bureau officials will be advised of the percentage rate based upon the current value of funds to the U.S. Treasury by transmittal of Treasury bulletins from the Division of Accounting Management in Albuquerque. Offices which do not have the current Treasury bulletin may obtain a copy by calling the Division at FTS 474-3496.

(a) Contractual Discounts. A contractual discount is one which is specified in the procurement instrument. A contractual discount begins to run on the date the later of two events occurs:

- (i) The date of receipt of the goods or services, or
- (ii) The date of receipt of a properly prepared invoice at the location specified in the procurement instrument.

(b) Voluntary Discounts. A voluntary discount is one which is offered by the payee, usually as stated on the invoice, without regard to terms stated in the procurement instrument. A voluntary discount, in accordance with common business practice, begins to run from the date of the invoice, unless the invoice shows specific terms to the contrary. If other specific terms are stated, they take precedence over the common practice.

(c) Commonly Used Discount Terms. Terms frequently used by vendors in offering voluntary discounts include "%-10th Prox," which means that the discount may be taken if paid by the 10th day of the month following the month in which the invoice is dated. ("Prox" is an abbreviation for "Proximo," meaning "of the next month.") Another common term is "% - 20 EOM," which means that the discount may be taken if paid by the 20th day of the month following the month in which the invoice is dated. ("EOM" is an abbreviation for "end of the month.")

(d) Discount Periods. A contractual discount may be taken if payment is made no later than the specified number of days following the later of the two events enumerated in 3.3A(12)a. For, example, if the later of the two events occurs on December 4, 1978, and a 10 day discount is provided for prompt payment, the discount is earned if payment is effected no later than December 14, 1978. Using the same example, but with a 20 day discount period, the period would run through December 26, 1978; discount periods expiring on non-work days are to be extended to the next regular work day.

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(e) Payment Date. With respect to discount invoices, unless otherwise specified by voluntary discount terms, payment is considered to be made on the date the payment check is issued.

(f) Conflicting Discount Terms. Where conflicting discount terms are stated in the procurement instrument vs. the invoice, the larger discount shall be taken when possible. If the period for taking the larger discount has expired, the lesser discount may still be taken if payment is made within the time allowed for the lesser discount.

(13) Late Payments. Every effort must be made to make payment of Bureau obligations in a timely manner. With the exception of payments involving disputed invoices or late or non-receipt of goods or services, payments not made within 30 days after receipt of an invoice will be considered as late payments, which will be reviewed and reported to the Treasury Department through the Division of Accounting Management as prescribed in 3.3A(14) below.

(14) Late Payment Reporting Requirements. Payments not made within 30 days of receipt of the invoice or receipt of the goods or services, whichever is later, will be immediately investigated to determine the reason for the deficiency, documented, and reported to the Division of Accounting Management. The report shall contain a recommendation for corrective action to prevent recurrences. The Division will review the report and determine whether the corrective action appears adequate. (Late payments caused by disputed invoices are excepted from this requirement.) Other reporting requirements are as follows:

(a) Area Payments. Area Finance Officers are to employ procedures which provide for the collection of data to determine the effectiveness of the cash management policy. The data collected shall include, but not be limited to, the number of invoices paid, the number not paid by the due date, the reasons for not meeting the due date; the number of discounted invoices processed, and the number not processed in time to earn the discount, and the reasons therefor. The total dollar value offered and amount taken should also be determined and reported.

Reports from the above data are to be prepared semi-annually to the Chief, Division of Accounting Management, Albuquerque, New Mexico. Any recommendations for improvement of the system are to be included in the report. The reports are to reach the Division of Accounting Management within 30 days after the close of the reporting period.

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(b) Centralized Payments. The centralized Disbursement Unit within the Division of Accounting Management will prepare the same types of reports called for in 3.3A(14)a. These reports will be combined with the Area reports and submitted to the Director, Office of Administration.

B. Imprest Fund Travel Advance Payment Limitation.

(1) Travel Advance Payment. Imprest cashiers may make travel advance payments from imprest funds not to exceed \$500 per single transaction when there is not sufficient time to order and receive a treasury check prior to the trip departure date. Each travel advance payment must be authorized on a SF-1038 by the servicing Finance Officer or other duly authorized official. Cashiers must know the name(s) and signature(s) of the individual(s) authorized to approve a SF-1038. Cashiers must process a SF-1129 Reimbursement Voucher the same day the funds are advanced as required by Section VI.B of the Bureau of Indian Affairs Imprest Cash Accountability Guidelines.

(2) Emergency Travel Advance Payments. Cashiers may also make emergency travel advance payments in excess of the \$500 per single transaction limitation if authorized by the head of the office (Area Director, Agency Superintendent, School Superintendent, etc.) at the cashier site. Justification to support the emergency need must be obtained by the cashier prior to making the payment and maintained for administrative review purposes. An emergency is a situation in which the duration of the travel period is too short to order and receive a treasury check for the excess need over \$500 at the TDY site.

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### 3.4 U. S. Treasury Checks.

A. Introduction. This section covers the procedures for checks issued by the Regional Disbursing Offices of the U. S. Treasury, Assistant Disbursing Officers, and the Indian Service Special Disbursing Agent or his deputies. Treasurer's Memorandums No. 2, 4, 6, 7, and 8 provide the instructions governing the requisition, issuance and payment of U. S. Treasury checks.

#### B. Requisition, Care and Custody of Blank Checks.

(1) Requisition for Blank Treasury Checks - ISSDA. The Treasury of the United States exercises administrative control over the printing and procurement of blank Government checks. Each year a supplement to Treasurer's Memorandum No. 2 is issued giving the terms and number of the current contract under which to procure checks and the name of the contractor. The Division of Financial Management is responsible for ordering ISSDA blank Treasury checks for the Bureau. Form TUS 3203, Purchase Order for Blank Treasury Checks, will be prepared to order a supply of checks sufficient to last for one year. The checks will be shipped by the contractor direct to the disbursing points.

(2) Requisition for Blank Treasury Checks - Assistant Disbursing Officers. Assistant Disbursing Officers are responsible for ordering checks for their use from the Treasury Department, Bureau of Accounts, Division of Disbursement, Washington, D. C. 20013. A Check Record Card, Treasury Department Form No. M-140, shall be maintained for blank check stock on hand, received, and issued.

(3) Safekeeping of Checks. The blank check stock must be kept under lock and fireproof storage to prevent loss or theft. Disbursing officers may find it convenient to bundle and seal blank check stock in lots of 500 or less to facilitate inventorying. Prior to sealing in a container, the checks should be inventoried and certified as to its contents by two disinterested individuals.

Safe combinations will be changed upon any change of individuals responsible for the custody of checks, when such combination is compromised, or as determined necessary by the disbursing point. Assistant Disbursing Officers shall furnish the combinations to any safes or vaults in which checks are held to the Treasury Department at the address indicated in section 3.4B(2) above.

In case of loss or theft of blank checks the disbursing officer shall  
(a) immediately notify the Treasurer of the United States by telegram  
and (b) prepare and forward SF 1180 as instructed by Treasurer's Memo-

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randum No. 6, Revised, dated October 18, 1967. The same information shall be furnished to the General Accounting Office by letter.

(4) Inventorying of Checks. Blank check stock shall be inventoried once each month at varying times by two disinterested individuals. The written report of the inventory shall be signed by both individuals as well as the individual responsible for custody of the checks. A file of ISSDA check inventories shall be maintained at the disbursing point. The inventory report of checks in the custody of an Assistant Disbursing Officer shall be made on Form RO-102 and forwarded to the Treasury Department at the address shown under section 3.4B(2) above no later than the last day of each month. If necessary, teletype facilities may be used to meet this deadline.

(5) Transfer Custody of Checks. In the event of transfer of the stock to an alternate, a signed receipt showing inclusive serial numbers shall be given to the individual from whom the stock is transferred. All checks will be accounted for by two persons, one of whom will be the individual who will accept accountability. The outgoing individual will witness this audit and all three individuals will sign the inventory report. When a transfer is made by an Assistant Disbursing Officer, one copy of the receipt shall be forwarded to the Treasury Department at the address shown under section 3.4B(2) above.

When a supply of ISSDA checks is transferred from one disbursing point to another, the Division of Financial Management shall be notified promptly through the servicing finance office.

C. Preparation and Issuance of 4-digit Symbol Checks. Extreme care must be used in writing checks in order that they may be read quickly and accurately and that there is little possibility of altering the amounts. Checks handled in the regular course of business must show uniform good quality of printing. Checks should be inspected to the fullest extent feasible in each disbursing operation for assurance that they meet standards of safety before they are released. Treasurer's Memorandum No. 4, dated September 20, 1964, gives detailed instructions relative to date of issue, payee's name, and the method of punching the dollar amount on the check. Each stock or supply of checks must be issued in ascending numerical sequence and within the prescribed time.

The U. S. Treasury authorizes the issuance of checks by block levels of 1, 10, 100, and 1,000. The block control levels consist of check numbers ranging as follows:

Checks under block control level 1 are individually issued without regard to a time factor.

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Block control level of 10 checks range from numbers 0 through 9 and are to be issued within four consecutive months.

Block control level of 100 checks range from numbers of 00 through 99 and are to be issued within two consecutive months.

Block control level of 1,000 checks range from numbers 000 through 999 and are to be issued within two consecutive months.

(1) ISSDA Checks. A check writer shall be used in issuing ISSDA checks. The first check issued for the day shall be inspected for proper punching and issuance by placing the card gauge over the check to assure that the punching is properly aligned. All machines out of alignment shall be repaired and tested before issuing any further checks. The equipment must be clean and a good quality check protector ink used so that checks issued will be legible and instantly readable.

Upon authorization the following steps shall be taken to issue a check:

(a) Punch into the blank check the authorized amount by use of a check writer. The signature and date may be placed on the check at the same time if the check writer is equipped to do so.

(b) Remove the buff card copy from the set. Type the name of the payee in good alignment with "Order of". If the check is to be mailed, the address shall be typed on the next line below with the left hand margin in line with the payee's name. (Up to four lines may be used for the payee's name and address.)

(c) If the date will be typed, the preferred position is in the right margin opposite the word "States", but not lower than the baseline of that word. An alternate position is along the upper edge with the base not lower than 9/32 of an inch from the top immediately to the right of and in line with the place of issue.

(d) Other data that must be supplied on the check is the general ledger control account, organizational unit code, and individual account number. Unless a check is drawn in response to a special authority, the applicable regulation under 25 CFR, Part 104, will be cited.

Acct. 206.10 A00 C-20  
Auth. 25 CFR 104.3

(e) If manually signed, the signature should conform to the specimen furnished the Treasurer of the United States. If a radical change occurs in the disbursing officer's signature, a new specimen

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should be furnished the Treasurer.

(f) Where checks are signed by signature machine, the first check issued should be inspected to see that it contains a signature and carbon copies of all checks shall be initialed by the disbursing agent or his deputy.

(2) Assistant Disbursing Officer Checks. When Assistant Disbursing Officers issue checks, two sets of the carbon copies of the checks shall be forwarded to the servicing finance office with the SF 1166, Voucher and Schedule of Payments, and supporting forms. (See section 3.3, Vouchers and Disbursements, of this handbook for procedures covering the processing of these documents.)

D. Voided Checks. The original and all copies of voided checks shall be marked prominently "Void - Not Negotiable" to remove all danger of successful negotiation. The marking shall be in large letters of a color in contrast to the check.

(1) Voided Checks - ISSDA. This is a check spoiled in preparation and the amount has not been taken into the accounts. It is listed on the Daily Disbursement Report--ISSDA under "Voided Checks". When amounts have been taken into the accounts, such checks will be cancelled as indicated under section 3.4E(1)(b) below.

(2) Voided Checks - Assistant Disbursing Officer. A listing of the spoiled and voided checks with the original and both copies of each check shall be submitted to the servicing finance office for forwarding to the Washington Regional Disbursing Office.

E. Cancelled Checks.

(1) Available Checks. These are checks in the possession of either the agency or activity.

(a) Regional Disbursing Office Checks. SF 1098, Schedule of Cancelled Checks, shall be used to cancel an available check when the payee is not due the proceeds of the check. (See Illustration 1.) All cancelled checks shall be stamped "NOT NEGOTIABLE--for Payment and Credit in the Treasurer's Account" before transmittal to the Regional Disbursing Office. A separate SF 1098 shall be issued for each RDO symbol as checks with different RDO symbols may not be combined on the same schedule. The SF 1098 shall be prepared in original and seven copies, with checks listed in ascending numerical sequence, and distributed as follows:

Original and 4 copies - Regional Disbursing Office

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- 1 copy - Attach to coding sheet of refund transaction.
- 1 copy - File in Unpaid Bill file.\*
- 1 copy - File in Schedule of Cancelled and Undeliverable Checks file.

\*Remove to Paid Bill file upon receipt of an RDO accomplished copy from the Division of Financial Management.

(b) ISSDA Checks. An ISSDA cancelled check is a check for which the amount has been taken into the accounts. The proceeds may or may not be due the payee. This includes undeliverable, mutilated, or defaced checks. They shall be listed in numerical ascending sequence on SF 1098, Schedule of Cancelled Checks. (See Illustration 2.)

The original and carbon copies of the checks shall be stamped "NOT NEGOTIABLE--For Payment and Credit in Treasurer's Account" before forwarding the originals to the servicing finance office with the original and two copies of the SF 1098. At the servicing finance office, the original SF 1098 shall be filed with other documents to support the SDA accounts, one copy shall be filed by agency schedule file to account for all numbered SF 1098s, and the remaining copy shall be signed acknowledging receipt of the checks and returned to the agency.

The cancelled checks shall be deposited on a separate SF 209, Certificate of Deposit, and shall not be included with other deposit items. If the proceeds of the mutilated or defaced check is due the payee, another check should be issued by the disbursing point.

(2) Unavailable Checks. These are checks not in the possession of the agency or the activity. When an RDO or ISSDA check is reported lost, stolen, destroyed, or not received, and payment is not due the payee, an SF 1184, Unavailable--Check Cancellation, shall be processed.

(a) Regional Disbursing Office Checks. The original SF 1184 (See Illustration 3), with copies SF 1184a through SF 1184f, shall be mailed to the Regional Disbursing Office and the last copy shall be retained.

If the check is on file at the Regional Disbursing Office, the SF 1184 will be returned showing "Check on file...". The servicing finance office will then submit SF 1098 to the Regional Disbursing Office as indicated in section 3.4E(1)(a) above.

If a statement signed by the payee was furnished stating that he had not received the check and the endorsement on the check compares favorably with the payee's signature, the SF 1184e will show: "Check paid; photo-

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copy attached...". The Treasury will take no further action on such cases. Appropriate action should be taken to recover the overpayment.

If no signed statement was furnished by the payee and the check was negotiated, the SF 1184e will show: "Check paid; photocopy attached. Advise if check appears to have been improperly negotiated." The endorsement should then be compared with the known signature of the payee and if it is concluded that the endorsement is not the payee's, available evidence, including the payee's signature, should be submitted immediately to the Treasurer. No effort should be made to conduct an investigation when evidence indicates that the check was not negotiated on a genuine or authorized endorsement.

If evidence immediately available to the Treasurer, including the form of endorsement itself, indicates that the check was not endorsed by the payee, the SF 1184e will show: "Check paid: Treasurer, U. S. will take further action." An investigation will be made and the appropriate amount, if recovered, will be forwarded by Treasurer's check to the servicing finance office for handling as a collection. An available copy of SF 1184, or other message, will accompany the check to identify it.

If the check is outstanding, the Treasurer will maintain stop payment against it. SF 1184e will show "Check not paid. Stoppage of payment is maintained against the check. It has been treated as cancelled and the amount credited as authorized by the Administrative Agency." The SF 1184 shall then be accounted for and entered into the accounts as a confirmed deposit.

(b) ISSDA Checks. The original SF 1184 (See Illustration 4), with copies SF 1184a through SF 1184e, shall be mailed to the address shown below and the last two copies shall be retained.

Treasurer, U. S.  
Check Claims Division  
Stop Pay Branch  
Washington, DC 20226

The Treasurer will respond in the same manner as indicated under section 3.4E(2)(a) above.

F. Undeliverable Checks. An undeliverable check is a check which is due the payee but which for various reasons has not been delivered to the payee and has been returned.

(1) Regional Disbursing Office Checks. SF 1185, Schedule of Undeliverable Checks for Credit to Government Accounts, (See Illustration

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tion 5) shall be used for crediting the amounts of the undeliverable checks to the accounts. When undeliverable checks are returned to field offices, such checks shall be forwarded to the servicing finance office with any correspondence relating to their undeliverability. The checks shall be stamped "NOT NEGOTIABLE--For Payment and Credit in the Treasurer's Account" before transmittal to the Regional Disbursing Office. The SF 1185 shall be prepared in original and eight copies, with checks listed in ascending numerical sequence, and distributed as follows:

- Original and 4 copies - Regional Disbursing Office
  - 1 copy - Attached to coding sheet of refund transaction.
  - 1 copy - Unpaid Bill file.\*
  - 1 copy - File in Schedule of Cancelled and Undeliverable Checks file.
  - 1 copy - Use to establish accounts payable.

\*Remove to Paid Bill file upon receipt of an RDO accomplished copy from the Division of Financial Management.

Liability must be established in the accounts to provide for the possible subsequent payment to the payee upon claim for the proceeds. A copy of the SF 1185 shall be used as the accounts payable document to support the covering coding sheet. In processing claims for the proceeds of undeliverable checks which have been credited to the Bureau accounts, the payment must be supported by a regular disbursing voucher signed by an authorized certifying officer. The basic voucher supporting the schedule of payments may be of the same type or form as used to support the first check issued. Each basic voucher should cite a reference to the undeliverable check.

(2) ISSDA Checks. If it is found that checks cannot be delivered, they should be cancelled as covered under section 3.4E(1)(b) above.

G. Lost, Stolen, or Destroyed Checks and Non-Receipt of Checks.

(1) Due the Payee. When an RDO or ISSDA check is reported lost, stolen, destroyed, or not received, and is due the payee, a stop payment should be requested as covered in section 3.4I below.

(2) Not Due the Payee. When an RDO or ISSDA check is reported lost, stolen, destroyed, or not received, and payment is not due the payee, an SF 1184 shall be processed as covered in section 3.4E(2) above.

H. Mutilated or Defaced Checks. A mutilated or defaced check is one from which significant portions are missing or which has been defaced

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to the extent that it is non-negotiable.

(1) Regional Disbursing Office Checks.

(a) Due the Payee. If a mutilated or defaced check is due the payee, it shall be forwarded with the request for stop payment processed as covered in section 3.4I below.

(b) Not Due the Payee. If a mutilated or defaced check is not due the payee, it shall be treated in the same manner as an unavailable check as covered under section 3.4E(2)(a) except that the mutilated or defaced check must accompany the SF 1184 request for cancellation.

(2) ISSDA Checks. ISSDA checks that have been mutilated or defaced, whether or not due the payee, shall be cancelled as covered in section 3.4E(1)(b) above.

I. Stop Payment of Checks. When an RDO or ISSDA check or group of checks is reported lost, stolen, destroyed, or not received, a stop payment should be requested. A stop payment is also requested on RDO checks mutilated or defaced which are due the payee. A personally signed statement from the payee or other claimant must be obtained which will provide as a minimum the information shown in Illustration 6.

(1) Due the Payee. In the case of RDO checks, stop payment requests and supporting statements should be mailed to the Regional Disbursing Office. The Regional Disbursing Office will issue an SF 1180, Request for Stop Payment, for transmittal to the Treasurer.

For ISSDA checks, an SF 1180, Request for Stop Payment, (See Illustration 7) with the claimant's signed statement concerning its loss or non-receipt, shall be submitted to:

Treasurer, U. S.  
Check Claims Division  
Stop Pay Branch  
Washington, DC 20226

A single SF 1180 may be used for a group of issued checks of the same symbol, provided all of the following conditions are met:

The proceeds of the checks are due the payee;

The check serial numbers covered by each SF 1180 are consecutive without a break;

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A list showing a complete description of each check is attached to the related SF 1180;

The information which is common to all of the checks is shown on the SF 1180; and,

The serial numbers of the first and last checks involved are entered in box 6 of the SF 1180 and the words "See attached List" are entered under "Remarks."

When it is important to stop payment as quickly as possible, the symbol, serial number, amount of the check, and the reason for the stop payment may be transmitted by the fastest means available, preferably by wire, in advance of the request. A request for stop payment shall then be submitted promptly, marked "CONFIRMATION" and showing the date of the wire.

(2) Not Due the Payee. If it develops that a payee is not entitled to the entire proceeds of a check after stop payment action has been requested, no steps should be taken to cancel the check before notification has been received as to the status of substitute check action based on the SF 1180. However, the Treasurer, U. S., at the address shown above, should be immediately notified by wire to prevent further substitute check action. The wire should advise of non-entitlement and contain information as to whether the check is available or unavailable. The wire should also describe the check and cite the date the SF 1180 was requested, if available.

When the check is available and the Treasurer advises that a substitute check has not been issued, SF 1180D or SF 1181 should be executed to remove stop payment and regular check cancellation action taken. If a substitute check has been issued, stamp the original check "NOT NEGOTIABLE", attach to it a copy of the Treasurer's advice and forward it to the Treasurer. Appropriate action should be taken to recover the amount of the overpayment.

When the check is not available and the Treasurer advises that the original check is outstanding and a substitute check has not been issued, prepare SF 1184 and forward it direct to the Treasurer with a copy of the Treasurer's advice attached. The Treasurer will maintain stop payment against the original check and advise in the usual manner when cancellation is accomplished. However, if the Treasurer advises that a substitute has been issued, appropriate action should be taken to recover the amount of the overpayment.

J. Recovered Checks. These are checks which have been found after

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SF 1180 or SF 1184 has been submitted to the Treasurer.

(1) Time Limit. The recovered check may be turned over to the payee for negotiation within 7 days from the date of the SF 1180 for payees whose mailing addresses are in the United States, including APO and FPO, Puerto Rico, Virgin Islands, and Panama Canal Zone.

For payees located elsewhere, the recovered check may be negotiated within 21 days from the date of the SF 1180.

(2) Removal of Stop Payment. SF 1180D or SF 1181, Request for Removal of Stop Payment, (See Illustration 8) should be completed and forwarded to the Treasurer within the time limit prescribed in section 3.4J(1) above if the recovered check will be negotiated.

(3) Expiration of Time Limit. If the recovered check has not been found within the time limits for negotiation, it must be forwarded to the Treasurer with either SF 1180D or SF 1181. The following legend should be placed on the check "NOT NEGOTIABLE, REMOVE STOP REQUESTED ON (Date)".

K. Substitute Checks. This is a check issued by the Washington Regional Disbursing Office over the same serial and symbol numbers as the original unavailable check. The payee should be advised that under no circumstances should both the original and substitute checks be cashed.

If the original has been negotiated, the substitute check is to be returned to the Treasurer.

L. Error in Name of Payee.

(1) Regional Disbursing Office Checks. SF 1147, Request for Issuance of Replacement Check Due to Error in Name and/or Designation of Payee, shall be issued where there is an error in name of payee on the original check. (See Illustration 9.) The Regional Disbursing Office will issue a replacement check with the correct name or designation of the payee and mail it accordingly.

(2) ISSDA Checks. An ISSDA check issued with an error in the name of the payee shall be "voided" or cancelled and a new check issued.

M. Remailing Checks.

(1) Regional Disbursing Office Checks. Upon notification from the Regional Disbursing Office that checks have been returned due to im-

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proper addresses, Division of Disbursement Form 1664R, Request to Remail Undeliverable Check and/or Bond, may be completed. Forward original and one copy to the Regional Disbursing Office so that checks will be remailed to the correct addresses. (See Illustration 10.)

N. Request for Photocopy or Status. A request for photocopy or status of an RDO or ISSDA check may be made by issuance of SF 1180 and showing "photo" or "status" as the reason. Such requests must be limited to administrative purposes. Whenever there is any assertion or other indication that a claim might exist, a request should not be made with a view of conducting inquiries concerning negotiation of the check.

(1) Photocopying of U. S. Treasury Checks. It is illegal for anyone except the U. S. Treasury Department to make a photocopy of a U. S. Treasury check.

**SCHEDULE OF CANCELED CHECKS**

DEPARTMENT OR ESTABLISHMENT INTERIOR - BUREAU OF INDIAN AFFAIRS		14-20-0699	SCHEDULE NUMBER TD08P0012
BUREAU OR OFFICE DIVISION OF FINANCIAL MANAGEMENT			SHEET NUMBER 1 of 1
LOCATION P. O. BOX 127, ALBUQUERQUE, NM 87103			D. O. SYMBOL NO. 3130

DATE OF ISSUE	CHECK NUMBER	PAYEE	VOUCHER NUMBER APPLICABLE	AMOUNT	SYMBOL OF APPROPRIATION OR FUND TO BE CREDITED
7/15/72	60,213,457	Sally Allen	234A	\$ 12.00	1432507
7/23/72	60,214,230	Jerry Smith	275A	82.65	"
8/05/72	61,200,046	George White	542A	450.00	14X7473
SUMMARY					
		P10 -01 3      1787 3005 W001		\$ 94.65	
		P11 124 X 7473 2651 0150		450.00	
				<u>\$544.65</u>	

Three (3) checks	<b>TOTAL</b>	\$544.65
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The amount of the above check(s) was deposited for credit in the account of the Treasurer, U.S., on Certificate of Deposit No.	DATE OF CERTIFICATE	FORWARDED (Date)
		August 25, 1972
DISBURSING OR ACCOUNTABLE OFFICER	DATE	BY (Name)
		/S/
		TITLE
		Authorized Certifying Officer

**SCHEDULE OF CANCELED CHECKS**

DEPARTMENT OR ESTABLISHMENT <b>INTERIOR - BUREAU OF INDIAN AFFAIRS</b>	SCHEDULE NUMBER <b>C51-73-03</b>
BUREAU OR OFFICE <b>C51 - BLACKFEET AGENCY</b>	SHEET NUMBER <b>1 of 1</b>
LOCATION <b>BROWNING, MT 59417</b>	D. O. SYMBOL NO. <b>4844</b>

DATE OF ISSUE	CHECK NUMBER	PAYEE	VOUCHER NUMBER APPLICABLE	AMOUNT	SYMBOL OF APPROPRIATION OR FUND TO BE CREDITED
7/13/72	1,927,001	Janet Minor		\$50.00	14X6039 206.10
7/27/72	1,928,224	Leo Bellevue		15.90	" "
8/10/72	2,001,019	Jerry Topco		75.50	" "

Three (3) Checks TOTAL \$141.40

The amount of the above check(s) was deposited for credit in the account of the Treasurer, U.S., on Certificate of Deposit No.	DATE OF CERTIFICATE	FORWARDED (Date)
		August 23, 1972
	DISBURSING OR ACCOUNTABLE OFFICER	BY (Name)
	DATE	/S/
		TITLE
		Authorized Collector

Standard Form No. 1184 Form prescribed by Comp. Gen., U. S. November 9, 1956, Gen. Regs. No. 132		UNAVAILABLE—CHECK CANCELLATION Request for Stop Payment				No. (Treas. U. S. will supply)	
DATE OF REQUEST	D. O. VOUCHER NO.	CREDIT D.O.SYMBOL	DATE OF CHECK	Charge D.O. Symbol	CHECK NO.	AMOUNT	
8/24/72	VD07P0089	3130	7/25/72		60,267,723	500.00	
TO TREASURER, U. S.: Place Stoppage of Payment and treat as canceled if check is not paid.  (Signature) ..... (Agency and address)— Auth. Certif. Off P. O. Box 3785 Portland, OR 97208		PAYEE Janice M. Allen Riverside Indian School Anadarko, OK 73005			APPROPRIATION OR FUND SYMBOL AND TITLE 1432507 (P00-01 3 1740)		
		REASON/REMARKS Check lost and not due payee.			(Space below reserved for Treasurer, U. S.) STOP RECORDED Check Not Paid (Date)		
<input type="checkbox"/> Check on file (Agency should submit Standard Form 1098 to the D. O.) <input type="checkbox"/> Check not on file at Disbursing Activity.		DISBURSING ACTIVITY (Title of D.O., Station, Location) WHICH IS TO TAKE UP AMOUNT IF DEPOSITED Division of Financial Mgmt. Bureau of Indian Affairs 14-20-0699 P. O. Box 27 Albuquerque, NM			Check Paid CANCELLATION ACCOMPLISHED ON: 0699 (Initials).....		
(Signature) ..... D.O.							

Administrative Agency will forward to Treasurer, U. S., through Disbursing Activity

Illustration 4

Standard Form No. 1184 Form prescribed by Comp. Gen., U. S. November 9, 1956, Gen. Regs. No. 132		UNAVAILABLE—CHECK CANCELLATION Request for Stop Payment				No. (Treas. U. S. will supply)	
DATE OF REQUEST	D. O. VOUCHER NO.	CREDIT D.O.SYMBOL	DATE OF CHECK	Charge D.O. Symbol	CHECK NO.	AMOUNT	
6/10/72	---	4844	6/1/72		2,191,230	50.00	
TO TREASURER, U. S.: Place Stoppage of Payment and treat as canceled if check is not paid.  (Signature) ..... (Agency and address)— Administrative Mgr Warm Springs Agency Warm Springs, OR 97767		PAYEE Marian Swanson Riverside Indian School Anadarko, OK 73005			APPROPRIATION OR FUND SYMBOL AND TITLE 14X6039 IIM (P09 206.10)		
		REASON/REMARKS Check lost and not due payee.			(Space below reserved for Treasurer, U. S.) STOP RECORDED Check Not Paid (Date)		
<input type="checkbox"/> Check on file (Agency should submit Standard Form 1098 to the D. O.) <input type="checkbox"/> Check not on file at Disbursing Activity.		DISBURSING ACTIVITY (Title of D.O., Station, Location) WHICH IS TO TAKE UP AMOUNT IF DEPOSITED Indian Serv. Special Disb. Agt. P. O. Box 127 Albuquerque, NM 87103			Check Paid CANCELLATION ACCOMPLISHED ON: (Initials).....		
(Signature) ..... D.O.							

Administrative Agency will forward to Treasurer, U. S., through Disbursing Activity

Standard Form No. 1185  
Form prescribed by Comptroller General, U. S.  
September 3, 1957  
7 GAO 6050

SCHEDULE NO. TD08P0011

**SCHEDULE OF UNDELIVERABLE CHECKS  
FOR CREDIT TO GOVERNMENT ACCOUNTS**

SHEET NO. 1 of 1

DEPARTMENT OF THE INTERIOR

DIVISION OF FINANCIAL MANAGEMENT  
BUREAU OF INDIAN AFFAIRS 14-20-0699

(Department or Establishment)

(Bureau or Office)

LOCATION P. O. Box 127, ALBUQUERQUE, NM 87103

ACCOUNTING PERIOD August 1972

D. O. SYMBOL No. 3130

MONTH AND YEAR OF ISSUE	CHECK NO.	PAYEE	AMOUNT	SYMBOL OF APPROPRIATION OR FUND TO BE CREDITED
June 1972	59,963,179	Ralph White Eagle	50.00	14X7799 P10 2651
		SUMMARY		
		14X7799 P10 109 2651 0150 \$50.00		
TOTAL			50.00	

DATE August 21, 1972

/S/

Supp. 3, Release 7, 2/9/73

STATEMENT OF CLAIMANT REQUESTING STOPPAGE OF PAYMENT  
ON THE CHECK DESCRIBED BELOW

1. For what purpose was the check issued? \_\_\_\_\_

2. Check One:

The check was not received.

The check was lost, stolen or destroyed after receipt.

3. If received, was the check endorsed? \_\_\_\_\_

If answer is "Yes", state exact form of endorsement. \_\_\_\_\_

\_\_\_\_\_

4. State the circumstances of the loss or destruction of the check, if received: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. My present address is \_\_\_\_\_  
(Route, Box No. or Street)

\_\_\_\_\_ (City, State, and Zip Code)

\_\_\_\_\_  
(Signature of Co-Payee)\* (Signature of Payee or Claimant)

\*Both payees must sign if this check is drawn jointly.

\_\_\_\_\_  
TO BE COMPLETED BY ADMINISTRATIVE OFFICE  
\_\_\_\_\_

Check No. \_\_\_\_\_ Payee \_\_\_\_\_

Dated \_\_\_\_\_ Address \_\_\_\_\_

Amount \_\_\_\_\_

\_\_\_\_\_

Standard Form 1180  
Treasurer's Memo No. 6 (Rev.)

**REQUEST FOR STOP PAYMENT**  
(Forward to Office of Treasurer, U.S.)

1. Date of Request <b>7/24/72</b>	2. Reason <input type="checkbox"/> Non-receipt <input type="checkbox"/> Other: <input type="checkbox"/> "x" if confirmation <input checked="" type="checkbox"/> Lost <input type="checkbox"/> Stolen <input type="checkbox"/> "x" if correction	3. Amount <b>150.00</b>	4. Date of Check <b>7/3/72</b>	5. Symbol <b>4844</b>	6. Check Number <b>2,096,546</b>
7. Payee's Name (enter only when not identical to the claimant's name in Box 9) <b>Janet A. Jefferson For John Jefferson, A Minor</b>					
8. Remarks (including identification or reference)		9. Claimant of Check and Current Address <b>Janet A. Jefferson Post Office Box 220 Billings, MT 59101</b>		11. (RESERVED FOR TREAS. U.S.) STOPPED NOT PAID      REM'L AUTH'D BY BOND/APPL./LETTER TO                      ON	
10. To: TREASURER, U.S., CHECK CLAIMS DIVISION, STOP PAY BRANCH, WASHINGTON, D.C. 20226 From: Disbursing Officer <b>/S</b>			I CERTIFY that the above check description is correct and that nothing in my records indicates that the payee is not entitled to its proceeds UNLESS OTHERWISE STATED UNDER REMARKS. <b>Supt. &amp; DDA</b>		
		1208		OTHER	
		1133			
		MISC.			

1180-115

Illustration 8

Standard Form No. 1181 7 GAO 6070 1181-102		<b>REQUEST FOR REMOVAL OF STOP PAYMENT</b>			NOTE.—DRAWER WILL FORWARD TO TREASURER, U. S.	
DATE OF THIS REQUEST <b>8/21/72</b>	DATE STOP REQUESTED <b>8/17/72</b>	AMOUNT <b>200.00</b>	DATE OF CHECK <b>8/4/72</b>	SYMBOL <b>3130</b>	CHECK NUMBER <b>12,467,389</b>	
PAYEE ENTITLED TO PROCEEDS <input checked="" type="checkbox"/> Check remailed to payee. <input type="checkbox"/> Check forwarded herewith. <input type="checkbox"/> Other (describe):		NAME AND ADDRESS OF CLAIMANT <b>Jonathan Henry Post Office Box 180 Billings, MT 59101</b>			PAYEE NOT ENTITLED TO PROCEEDS <input type="checkbox"/> Check forwarded herewith; Standard Form 1184 previously submitted.	
TO THE TREASURER OF THE UNITED STATES, CHECK CLAIMS DIVISION, WASHINGTON 25, D. C. According to the records of this office, stoppage of payment against the check described above may be removed for the reason indicated. <b>/S/</b> _____, Disbursing Officer.						
GPO 16-74265-1						

**REQUEST FOR ISSUANCE OF REPLACEMENT CHECK DUE TO ERROR IN NAME AND/OR DESIGNATION OF PAYEE**

To Disbursing Office Denver, CO Date August 10, 1972

CHECK NO. <u>60,286,674</u>	DATE <u>7/28/72</u>	AMOUNT <u>600.00</u>	SYMBOL NO. <u>3130</u>	VOUCHER NO. <u>TD07P0042</u>
--------------------------------	------------------------	-------------------------	---------------------------	---------------------------------

NAME AND/OR DESIGNATION ON CHECK:  
Annie Jean Weston

I CERTIFY that the correct name and/or designation of the payee is as shown hereon and the amount stated is due the payee. Issuance of a replacement check as indicated, for delivery in the usual manner, is authorized.	CORRECT NAME AND/OR DESIGNATION: <u>Annie Jean Watson Kettle Falls, WA 99141</u>	ADMINISTRATIVE OFFICE <u>Bureau of Indian Affairs P. O. Box 3785</u>
	Replacement check issued as authorized Control No. _____	LOCATION <u>Portland, OR 97208</u>
	Date _____ For <i>Disbursing Officer.</i>	<u>/S/</u> <i>Authorized Certifying Officer.</i>

Standard Form No. 1147  
7 GAO 6000  
1147-105

☆ GPO : 1960 O-572728-33

Illustration 10

TREASURY DEPARTMENT  
Division of Disbursement-Form 1664R  
REVISED 3/68-REF.: DOPM 5127

**REQUEST TO REMAIL UNDELIVERABLE CHECK AND/OR BOND**

To Disbursing Center  
or Regional Disbursing Office Denver, CO Date 8/20/72

NUMBER	DATE
CHECKS: <u>61,719,818</u>	<u>8/14/72</u>
BONDS:	

Please mail undeliverable checks and/or bonds to the payee and/or owner whose name and address is shown in the block below

Jane R. White  
1522 S. Fawcett  
Tacoma, WA 98402

ACCOUNT NUMBER \_\_\_\_\_

Agency Bureau of Indian Affairs By: /S/  
Portland Area Office Authorized Certifying Officer  
Portland, OR 97208

INT: 4457-73

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### 3.5 INTRA-BUREAU CASH TRANSACTIONS

A. Purpose. This manual establishes the policy, responsibilities and processing procedures for the Bureau of Indian Affairs (BIA) intra-bureau cash transactions. An intra-bureau cash transaction is a two-sided transaction resulting in the payment (disbursement) from one account and the credit (collection) to another account. They are accomplished within BIA's Treasury 8-digit Agency Location Code (ALC) 14200699 without the use of a check or other methods of payment from or deposits to the Treasury. Intra-bureau cash transactions are not processed by the U.S. Treasury. They are recorded only in BIA's accounting records.

B. Applicability. Intra-bureau cash transactions are generally used to adjust the accounting classification data in the BIA accounting records relating to all cash disbursement (i.e., checks issued) and cash receipt (i.e., checks and cash deposited) transactions previously accomplished by the Treasury. They may be used to adjust cash balances within and between BIA's appropriation, fund, and receipt account symbols. Adjustments within account symbols net to zero and appear only on internal BIA fund management reports. Adjustment between account symbols will appear on BIA's monthly SF-224 "Statement of Transactions" as adjustments to disbursements or collections.

C. Policy. It is the policy of the Bureau of Indian Affairs that intra-bureau cash transactions will be used only for the correction of accounting classification and amount errors of cash disbursement and deposit transactions completed by the Treasury. Correction of errors may include the transfer of cash disbursements and deposits between appropriation, fund, and receipt accounts. However, any other fund transfer, except as stated below, may constitute a reprogramming of funds and must be processed in accordance with 41 BIAM, Supplement 4.1, "Administrative Control of Funds".

D. Exceptions. Intra-bureau cash transactions may also be used to liquidate advance payments and to distribute charges and credits from internal and Treasury suspense accounts to the appropriate appropriation, fund, or receipt account. Other exceptions may also be specifically authorized by the Deputy Assistant Secretary - Indian Affairs (Operations) as necessary to properly record the cash transactions of the Bureau of Indian

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Affairs in its accounting records. An example of such authorization is the use of an intra-bureau cash transaction to transfer funds from The Tribal Trust Fund account in the Treasury to BIA appropriated accounts under reimbursable agreements with the Tribes for services provided by BIA.

E. Scope. These regulations apply to intra-bureau cash transactions affecting all appropriated, fund, and receipt accounts under the management of BIA. Supplemental instructions concerning the processing office and certifying official for Tribal Trust Funds, Individual Indian Money, and Funds Contributed for the Advancement of Indians may be issued by the Office of Trust Fund Management.

F. Responsibilities. Except as authorized below, all intra-bureau cash transactions within the scope of these regulations must be submitted to the Division of Accounting Management, Albuquerque, New Mexico, for processing, certification and entry into the automated accounting system.

(1). Area Directors may process, (including data entry of the transactions into the automated accounting system) intra-bureau cash transactions as follows:

(a) To correct errors in the accounting cost component, work order, program, other identification, and description fields of a disbursement transaction .

(b) To apply contract and grant advance payments to cost.

(c) To apply charges under the Simplified Intragovernmental Billing and Collection (SIBAC) System and the Online Payment and Collection (OPAC) System entered to the BIA accounts as advance payments to other Federal agencies.

(d) To correct payroll error (work order ERR) charges.

(2) This authority to Area Directors also covers, within the scope of services provided by area/agency administrative offices, BIA Office of Indian Education Program accounts. Area

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Directors have the option of submitting all intra-bureau cash transactions to the Division of Accounting Management, Albuquerque, New Mexico for processing.

G. Form. The Bureau Form BIA-4285, "Intra Bureau Cash Transaction Authorization" will be used to document intra-bureau cash transactions. A facsimile of the BIA-4285 is shown in Illustration 1 to these regulations along with preparation instructions. BIA-4285's shall not be sent to the Treasury.

H. Processing Procedures for Intra-Bureau Transactions To Correct Errors. An intra-bureau transaction may be initiated as follows by any BIA program or administrative official who determines that an error has occurred in a cash transaction accomplished by the Treasury and recorded in the BIA accounting records.

(1) The Requesting Office. The office that identifies the need for an adjustment to the cash accounting records will prepare an intra-bureau cash transaction package which includes the following items and submit it to the Processing Office cited in Section 3.5H(2) below.

(a) A BIA-4285 completed in accordance with the instructions in Illustration 2 to this Handbook.

(b) A Financial Accounting System Code Sheet Form BIA-4236 showing the detail accounting transactions to effect the error correction. See Illustration 3 for an example.

(c) A copy of the source document(s) associated with the error (i.e., Purchase Order, Travel Authorization, Contract face sheet, etc.).

(d) A copy of either the Finance Daily Input Register, the Monthly Journal of Transactions, or the General Ledger Detail showing the error recorded in the accounting system.

(2) Processing Offices. The intra-bureau cash transaction package shall be submitted to one of the following offices for processing:

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(a) The Area Accounting Office. All intra-bureau transaction packages to correct errors will be submitted to the servicing area accounting office. The area accounting office shall process all intra-bureau transactions authorized by Section 3.5F(1)(a) of this Handbook for processing at the area level.

(b) The Division of Accounting Management. If the area is not authorized to process the transaction, the area accounting office will serve as the recommending office and submit the package to the Division of Accounting Management for processing (see Section 3.5.L of this handbook for the mailing address). The accounting officer will coordinate the processing of intra-bureau transactions with the area budget and program offices when necessary.

(3) Processing Procedures. The appropriate processing office, as designated above, will execute the following procedures upon receipt of an intra-bureau cash transaction package from the requesting office.

(a) Control all incoming Bureau Forms BIA-4285 by date stamping, assignment of a document number (See Illustration 2, of this Handbook for number configuration), and recording in a control log book.

(b) Review each package for completeness, accuracy, and validity in accordance with these regulations and BIA accounting policy and procedures. A recommendation will be given by the reviewing official to either process or reject the package.

(c) Certify that the transaction is proper for payment from and to the accounts cited, for the intra-bureau transactions under its respective processing authority. This certification is similar in responsibility to that required by the Treasury for the original transaction.

(d) Enter the assigned document number of the certified BIA-4285 on the associated Code Sheet Bureau Form BIA-4236.

(e) Enter the transaction into the accounting system.

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(f) Review the Daily Finance Input Register of Transactions and ensure that the intra-bureau transaction was successfully entered into the accounting system.

(g) Stamp the BIA-4285 document with "Payment Accomplished".

(h) Record the date accomplished on the BIA-4285 and enter it into the control log book. The accounting system Batch Number of the transaction also will be entered into the log book.

(i) Transmit a photocopy of the accomplished BIA-4285 to the requesting office.

(j) Maintain a file of accomplished BIA-4285 documents.

I. Processing Procedures for Contract and Grant Advance Intra-Bureau Cash Transactions. Area Directors are authorized by Section 3.5F(1)(b) of this handbook to apply advance payments made under contracts and grants to cost, including the entry of the transaction into the accounting system. Area Directors may authorize agencies under their jurisdiction to process contract/grant advance liquidation transactions, including encoding to the accounting system.

Note: These are intra-bureau cash transactions that must balance. They require a "BB" number as described in Illustration 2. The advances will be applied (liquidated) by entering into the accounting system the contract or grant document reference number, including the accounting line designator, that is to be charged the cost; the amount of the cost applicable to each accounting line; and a Transaction Code (TC) 55P (partial disbursement) or 55L (last disbursement). The advance entry will be cleared with a TC 65. See Illustration 4 for an example of how to prepare a Financial Accounting System Code Sheet Form BIA-4236 for a contract/grant advance intra-bureau transaction.

J. Processing Procedures for SIBAC/OPAC Intra-Bureau Cash Transactions.

(1) General. Payments to other Federal agencies for goods and services provided to the BIA are generally accomplished

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by the Treasury SIBAC/OPAC systems. OPAC billing data is obtained by the Division of Accounting Management, Albuquerque, New Mexico from Treasury by use of the Government On-line Accounting Link System (GOALS). SIBAC billing data is received directly from the SIBAC billing agency to the Division of Accounting Management.

(a) BIA requires an obligation to be entered in the BIA's automated accounting system for all goods and services received from other federal agencies. The obligation is recorded using a unique document reference number.

(b) The SIBAC/OPAC billing agency is required by Treasury regulations to reference BIA's obligation document number in their billing documentation. The Division of Accounting Management direct charges the SIBAC/OPAC payments against the obligation document. However, if an obligation document has not been entered into BIA's accounting system, or otherwise cannot be identified to the SIBAC/OPAC payment, the SIBAC/OPAC disbursement transaction will be entered in the accounting records as an advance payment to other Federal agencies.

(c) SIBAC/OPAC charges to the advance account may be cleared by area offices as authorized in Section 3.5F(1)(c). These advance transactions shall be cleared within 30 days.

(2) 3098 Advance Account Entry. The Division of Accounting Management will record all SIBAC/OPAC charges that cannot be recorded directly against an obligation document in the accounting system as follows:

(a) Document Reference Number. Each billing will be assigned a fourteen (14) character Document Reference Number with the following configuration:

i. The first two positions of the number are "SI" indicating a SIBAC/OPAC charge.

ii. The next seven positions are the SIBAC/OPAC bill number assigned by the billing agency.

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iii. The next three positions are the area/agency code of the BIA ordering organization. If the ordering organization is not known, the code "K99" will be entered to signify that fact.

iv. The last two positions of the document number field are "AD" signifying that the document is an advance payment.

v. The following illustrates the document configuration described above:

SI12Z0001H50AD - Ordering organization known.

SI27Z0002K99AD - Ordering organization unknown.

(b) Activity. Charges will be entered to activity 3098.

(c) Area/Agency/Location. Charges will be entered to the ordering organization's code or to K99-09 if the ordering organization's code cannot be identified from the billing document.

(d) Fiscal Year. Charges will be entered to the current fiscal year.

(e) Processing. A copy of the billing document entered to 3098 will be submitted to the ordering location code servicing accounting office for processing. Accounting offices may request that the billing document be submitted directly to the ordering location code if the processing of 3098 transactions has been delegated to that level by the Area Director.

(3) 3098 Advance Account Clearance. The responsible area office will clear all charges to the 3098 advance account in accordance with the following procedures. The charges must be cleared within 30 days of receipt of the notification of the charge.

(a) The same procedures prescribed in Section 3.5H of this handbook shall be followed. Preparation of the BIA-4285 is optional if the area processes the advance account transaction. However, a BIA-4285 is required for all packages submitted to the Division of Accounting Management for processing. Also, the Area

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Director may authorize the agency ordering and receiving organization to process the transaction, including encoding to the accounting system. Each area should publish their own processing procedures for 3098 advance account clearance.

(b) The obligation document must be matched with the advance entry. A Transaction Code (TC) 55P (partial disbursement) or 55L (last disbursement) shall be used to charge the obligation number and a TC 65 to the "SI" advance document to apply or liquidate the advance amount in Activity 3098.

(c) If the obligation document number is not on file, the requisitioning program and procurement offices must identify the necessary obligation document and enter it as a direct disbursement transaction with the use of a TC 55F. Note: TC 55F entries to the accounting system must be fully coded accounting transactions. The advance document (SI) will be cleared with a TC 65.

(d) If an obligation document was not executed, the proper document code and number must be assigned to the bill and entered into the accounting system with a fully coded TC 55F. As stated above in (b), the SI document will be cleared with a TC 65. Note: Obligation documents in this case must be signed by an authorizing official (i.e., warranted procurement officer).

(e) Note: These are intra-bureau cash transactions that must balance and require a "BB" number as described in Illustration 2. See Illustration 5 for an example of a BIA-4285 and associated Financial Accounting System Code Sheet Form BIA-4236 to clear 3098 advance charges.

K. Processing Procedures for Payroll Error Intra-Bureau Cash Transactions. All payroll labor cost errors are entered into the accounting system with a work order "ERR" designator. ERR reports are submitted to the employee's official duty station for correction. Area Directors are authorized by Section 3.5F(1)(d) of this supplement to clear work order ERR payroll error entries to the accounting system.

(1) The same procedures prescribed in Section 3.5H of this handbook shall be followed. Preparation of the BIA-4285 is optional if the area, agency, or school processes the transaction.

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However, a BIA-4285 is required for all packages submitted to the Division of Accounting Management for processing. The Area Director may authorize the agency to process the ERR transaction, including encoding to the accounting system. Also, school Education Program Administrators may locally process ERR corrections.

(2) The account that should have been charged for the payroll costs will be fully coded and entered into the accounting system with a TC 55F. The ERR entry will be cleared with a TC 65. See Illustration 6 for an example of how to prepare a Financial Accounting System Code Sheet Form BIA-4236 for an ERR correction. Note: These are intra-bureau cash transactions that must balance and require a "BB" number as described in Illustration 2.

L. Intra-Bureau Transaction Processing Offices Addresses.

(1) The Division of Accounting Management, Branch of Finance and Administrative Accounting, Accounting Operations Section, Cash Reporting Unit, Box 127, Albuquerque, NM 87103.

(2) Area Accounting Offices. Each area will publish the mailing address of their accounting office.

Bureau Form BIA-4285 Revised March 1990		<b>BUREAU OF INDIAN AFFAIRS</b> <b>INTRA BUREAU CASH TRANSACTION AUTHORIZATION</b>	
THIS TRANSACTION WILL BE REPORTED ON BIA's SF 224 REPORT TO THE TREASURY AS APPROPRIATE FOR THE ACCOUNTING PERIOD ENDING _____		Document No. _____	
		Accomplished _____	
<b>DISBURSEMENT</b> (or reverse collection) Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		<b>COLLECTION</b> (or reverse disbursement) Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
<b>SUMMARY</b>		<b>SUMMARY</b>	
APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT
<b>TOTAL</b>		<b>TOTAL</b>	
<b>INFORMATION:</b> Description of transaction or reference to attached supporting Documents.			
<b>ACCOUNTING CLASSIFICATION</b> Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.			
<b>REQUESTING OFFICE</b>		<b>PROCESSING OFFICE</b>	
Organization _____ Area/Agency/ _____ Location _____  Address _____ _____  Prepared by _____ Telephone No. _____ Approved by _____ Recommended by _____		Organization _____ Area/Agency/ _____ Location _____  Address _____ _____  Reviewed by _____ Date _____ Telephone No. _____ Recommended Actions:   Process _____ Reject _____ (Give reason in Information Block)	
<b>CERTIFICATION</b> I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.			
_____ (Authorizing Official)		_____ (Date)	_____ (Telephone No.)

Bureau Form 31A-4285 Revised March 1990				<b>BUREAU OF INDIAN AFFAIRS</b> <b>INTRA BUREAU CASH TRANSACTION AUTHORIZATION</b>			
THIS TRANSACTION WILL BE REPORTED ON BIA's SF 224 REPORT TO THE TREASURY AS APPROPRIATE FOR THE ACCOUNTING PERIOD ENDING _____ E.3				Document No. _____ E.1		Accomplished _____ E.2	
				DISBURSEMENT (or reverse collection) E.4 Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		COLLECTION (or reverse disbursement) E.5 Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
SUMMARY				SUMMARY			
APPROPRIATION, FUND or RECEIPT SYMBOL		AMOUNT		APPROPRIATION, FUND or RECEIPT SYMBOL		AMOUNT	
(a)		(b)		(a)		(b)	
TOTAL		(c)		TOTAL		(c)	
<b>INFORMATION:</b> Description of transaction or reference to attached supporting Documents. _____ E.6							
<b>ACCOUNTING CLASSIFICATION</b> E.7 Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.							
REQUESTING OFFICE E.8				PROCESSING OFFICE E.9			
Organization _____ (a) Area/Agency/ Location _____ (b) Address _____ (c)				Organization _____ (a) Area/Agency/ Location _____ (b) Address _____ (c)			
Prepared by _____ (d) Telephone No. _____ (e) Approved by _____ (f) Recommended by _____ (g)				Reviewed by _____ (d) Date _____ (e) Telephone No. _____ (f) Recommended _____ (g) Actions: Process _____ Reject _____ (Give reason in Information Block)			
<b>CERTIFICATION</b> E.10 I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.							
_____ (a) (Authorizing Official)		_____ (b) (Date)		_____ (c) (Telephone No.)			

Illustration No. 2  
 Instructions for Preparation of a BIA-4285

A. Balancing Process.

An intra-bureau cash transaction is a two-sided balanced entry to the BIA automated accounting system. When an intra-bureau transaction is entered, a payment (disbursement) is made from one BIA account and a collection to another. The disbursement and collection must be equal. To ensure this equal condition, the automated accounting system has a balancing process. The balancing process uses a ten (10) character "BB" number in the description field of the accounting record to tie the related disbursement and collection together. The Description Field, columns 49 through 58, of the Financial Accounting System Code Sheet, Form BIA-4236, is used to record the "BB" number.

B. "BB" Number Configuration.

The Intra-Bureau Processing Office is responsible for assigning a "BB" number to each BIA-4285. The "BB" document number character configuration and their column location in the Description Field is as follows:

12									
DESCRIPTION									
49	50	51	52	53	54	55	56	57	58
B	B	0	7	D	1	2	3	4	A
									*

BIA-4285 number  
 Input point  
 Month of the Year  
 BIA-4285 Transaction Identifier

Note: \* This is an optional character field that can be left blank or an alpha/numeric character entered if the BB has more than one accounting line.

C. "BB" Accounting System Processing Codes.

The BIA-4285 is designed to accommodate the balancing process. It is divided into two parts -- a left and a right side. The left side of the form is used to record the payment (disbursement) part of the intra-bureau transaction and the right side is used to record the collection.

(1) Disbursements - Left Side of BIA-4285.

Disbursements from an appropriation, fund, or receipt symbol are recorded on the left side of the BIA-4285. Listed below are the transaction codes, accounting codes, and elements (cost and revenue) that are compatible for specific intra-bureau cash transactions. These are the only codes that can be used to record transactions on the left side of a BIA-4285.

<u>TRANSACTION</u>	<u>TRANSACTION CODE*</u>	<u>ACCTING CODE</u>	<u>ELEMENT</u>
Disbursement- Appropriated & Receipt Funds	55	All except 10 and 90	All except 90
Disbursement- Deposit Funds	50	10	90
Reverse Reimburse- ment Collections	69	90	92 & 93
Reverse Receipt Collections	69	90	90 thru 99 except 92 & 93

\*Add appropriate suffix to designate the transaction as First (F), Partial (P), Last (L) or Reopen (R)

(2) Collections - Right Side of BIA-4285.

Collections credited to an appropriation, fund, or receipt symbol are recorded on the right side of the BIA-4285. Listed below are the transaction codes, accounting codes, and elements (cost and revenue) that are

compatible for specific functions for recording cash credits. These are the only codes that can be used to record transactions on the right side of a BIA-4285:

<u>TRANSACTION</u>	<u>TRANSACTION CODE</u>	<u>ACCTING CODE</u>	<u>ELEMENT</u>
Reverse Disbursement- Appropriated & Receipt Funds	65	All except 10 and 90	All except 90
Reverse Disbursement- Deposit Funds	60	10	90
Reimbursement Collections	59	90	92 & 93
Receipt Collections	59	90	90 thru 99 except 92 & 93

D. "BB" Out of Balance Condition Processing.

Intra-bureau transactions are sometimes found out-of-balance by the automated balancing process. When this happens, one or more transactions may have been accepted by the computer programs. If an accepted transaction is coded with a TC 55P, or 55L, the transaction liquidates a previously established accrual and/or obligation by automatically generating either a reversal of the undelivered order (TC 23) or a reverse accrual (TC 24). When the "BB" transactions are out-of-balance (disbursements do not equal collections), accepted transactions are reversed in the subsequent daily finance process. These "BB" reversal transactions appear in a computer generated (99) batch on the Daily Finance Input Register. The reversal process also restores the liquidated undelivered orders and accruals.

E. DETAILED BIA-4285 PREPARATION INSTRUCTIONS.

<u>ITEM</u>	<u>DESCRIPTION</u>
1. Document No.	Enter the ten character "BB" number. This number is also entered in the description field (12) of the Form BIA-4236 code sheet and the BIA-4285 Control Log Book.

2. Accomplished Date Enter the date from the Finance Daily Input Register of Transactions that the intra-bureau transaction was accepted in the accounting system.
3. ACCOUNTING PERIOD ENDING Enter month, last day of month, and year the transaction will be reported to the Treasury of the SF-224 report.
4. DISBURSEMENT SUMMARY Enter summary data, as described in (a,b,& c) below, at the Treasury Account Symbol level relating to the disbursement or reverse collection side of the intra-bureau transaction. The detail accounting data will be provided as described in Item 6 below.
- (a) APPROPRIATION FUND, OR RECEIPT SYMBOL Enter the Treasury Symbol of each appropriation, fund or receipt account that the disbursement or reverse collection will be charged against. (Example: 1402100, 14X2301, etc.)
- (b) AMOUNT Enter the sum of all accounting lines on the attached Code Sheet that will be charged against each Treasury Symbol in Item 4 (a).
- (c) TOTAL Enter sum of all amounts in Item 4(b).
5. COLLECTION SUMMARY Enter summary data, as described in (a,b,& c) below, at the Treasury Account Symbol level relating to the collection or reverse disbursement side of the intra-bureau transaction. The detail accounting data will be provided as described in Item 6 below.

- (a) APPROPRIATION FUND, OR RECEIPT SYMBOL Enter the Treasury Symbol of each appropriation, fund or receipt account that will receive a credit (collection). (Example: 1402100, 14X2301, etc.)
- (b) AMOUNT Enter the sum of all accounting lines on the attached Code Sheet that will be credited against each Treasury Symbol in Item 5 (a).
- (c) TOTAL Enter sum of all amounts in Item 5(b).
6. INFORMATION Give a narrative description of the intra-bureau cash transaction including the specific attachments. Also, this item is used to state the reason for rejects by the Processing Office. If sufficient space is not available for the reject reason attach a separate sheet.
7. ACCOUNTING CLASSIFICATION Attach a Financial Accounting System Code Sheet Form BIA-4236 giving the detail by accounting line of both sides of the intra-bureau transaction. See Sections A, B, C, and D above for detailed instructions on "BB" numbers.
8. REQUESTING OFFICE Provide the data requested in Item 8 (a thru g) below on the organizational entity that is requesting the intra-bureau transaction.
- a. Organization Name of the Requesting Office, e.g., Cheyenne River Agency.
- b. Area/Agency/ Location Organizational Code assigned, e.g., A01-01.
- c. Address Mailing address of the Organization, e.g., Eagle Butte, SD 57625

- d. Prepared By Signature and typed name of person that prepared the BIA-4285.
- e. Telephone No. FTS/Commercial telephone number of the preparing official.
- f. Approved By Signature and typed name of person that approved the BIA-4285 package for submission to the Processing Office.
- g. Recommended By Signature and typed name of the Area Accounting Officer and date of recommendation for intra-bureau transactions that must be processed by the Division Of Accounting Management. This field is otherwise left blank, however, the Area Director may designate a recommending official for intra-bureau transactions processed by the Area Accounting Officer.

9. PROCESSING OFFICE

Provide the data requested in Item 9 (a thru g) below on the organizational entity that processed the intra-bureau transaction.

- a. Organization Name of the Processing Office, e.g., Division of Accounting Management.
- b. Area/Agency/  
Location Organizational Code assigned, e.g., K01-51.
- c. Address Mailing address of the Organization, e.g., Box 127, Albuquerque, NM 87103.
- d. Reviewed By Signature and typed name of the person that reviewed the BIA-4285 for validity and accuracy.
- e. Date Date the BIA-4285 review was completed by the Processing Office.
- f. Telephone No. FTS/Commercial telephone number of the reviewing official.

g. Recommended

Reviewing official will indicate the results of the review by checking (/) either the Process or Reject line. If the transaction is rejected the reason will be stated in the Information block or attached on a separate sheet.

10. CERTIFICATION

This block is used to certify the intra-bureau transaction for entry into the accounting system.

a. (Authorizing  
Official)

Signature of the Area Accounting Officer or the Chief, Division of Accounting Management or his/her designee.

b. (Date)

Date the Certifying Official signed the BIA-4285

c. (Telephone No.)

FTS/Commercial telephone number of the Certifying Official.

Bureau Form BIA-4285 Revised March 1990		<b>BUREAU OF INDIAN AFFAIRS</b> <b>INTRA BUREAU CASH TRANSACTION AUTHORIZATION</b>	
THIS TRANSACTION WILL BE REPORTED ON BIA's SF 224 REPORT TO THE TREASURY AS APPROPRIATE FOR THE ACCOUNTING PERIOD ENDING _____		Document No. <u>BBO3H0001</u> Accomplished <u>3/24/90</u>	
<b>DISBURSEMENT</b> (or reverse collection) Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		<b>COLLECTION</b> (or reverse disbursement) Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
SUMMARY		SUMMARY	
APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT
1402100	\$150.00	1402100	\$150.00
<b>TOTAL</b>		<b>TOTAL</b>	
\$150.00		\$150.00	
<b>INFORMATION:</b> Description of transaction or reference to attached supporting Documents. Supplies purchased on PS0H5101000 were all charged to Timber Sales Administration (5262). \$100.00 should have been charged to Forest Protection (5261) and \$50.00 to Forest Development (5231).			
<b>ACCOUNTING CLASSIFICATION</b> Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.			
REQUESTING OFFICE		PROCESSING OFFICE	
Organization <u>Colorado River Agency</u> Area/Agency/ Location <u>H51-01</u> Address <u>P.O. Box 000</u> <u>Parker, AZ 85999</u> Prepared by <u>Jane Clerk</u> Telephone No. <u>213-512-2121</u> Approved by <u>Mary Supervisor</u> Recommended by _____		Organization <u>Phoenix Area Office</u> Area/Agency/ Location <u>H50-01</u> Address <u>P.O. Box 1</u> <u>Phoenix, AZ 85001</u> Reviewed by <u>Tom Finoffier</u> Date <u>3-24-90</u> Telephone No. <u>FTS 261-2100</u> Recommended Actions: Process <input checked="" type="checkbox"/> Reject _____ (Give reason in Information Block)	
<b>CERTIFICATION</b> I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.			
<u>Tom Finoffier</u> (Authorizing Official)		<u>3-24-90</u> (Date)	
		<u>FTS 261-2100</u> (Telephone No.)	



Bureau Form BIA-4285 Revised March 1990		<b>BUREAU OF INDIAN AFFAIRS</b> <b>INTRA BUREAU CASH TRANSACTION AUTHORIZATION</b>	
THIS TRANSACTION WILL BE REPORTED ON BIA's SF 224 REPORT TO THE TREASURY AS APPROPRIATE FOR THE ACCOUNTING PERIOD ENDING <u>3/31/90</u>		Document No. <u>BB03H0002</u> <hr/> Accomplished <u>3/24/90</u>	
<b>DISBURSEMENT</b> (or reverse collection) Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		<b>COLLECTION</b> (or reverse disbursement) Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
<b>SUMMARY</b>		<b>SUMMARY</b>	
APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT
14X2301	\$900.00	1402100	\$900.00
<b>TOTAL</b>		<b>TOTAL</b>	
\$900.00			\$900.00
<b>INFORMATION:</b> Description of transaction or reference to attached supporting Documents. Application of advance to Tribal 638 contract.			
<b>ACCOUNTING CLASSIFICATION</b> Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.			
<b>REQUESTING OFFICE</b>		<b>PROCESSING OFFICE</b>	
Organization <u>San Carlos Agency</u> Area/Agency/ Location <u>H58-01</u>  Address <u>San Carlos Agency</u> <u>San Carlos, AZ 85301</u>		Organization <u>Phoenix Area Office</u> Area/Agency/ Location <u>H50-01</u>  Address <u>P. O. Box 1</u> <u>Phoenix, AZ 85001</u>	
Prepared by <u>Jim James</u> Telephone No. <u>602-533-7226</u> Approved by <u>Bob Roberts</u> Recommended by _____		Reviewed by <u>Joe Acctech</u> Date <u>3-24-90</u> Telephone No. <u>261-2100</u> Recommended Action: Process <input checked="" type="checkbox"/> Reject <input type="checkbox"/> (Give reason in Information Block)	
<b>CERTIFICATION</b>			
I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.			
<u>Tom Lindoff</u> (Authorizing Official)		<u>3-24-90</u> (Date)	<u>261-2100</u> (Telephone No.)



Bureau Form 91A-4285  
 Revised March 1990

BUREAU OF INDIAN AFFAIRS  
 INTRA BUREAU CASH TRANSACTION AUTHORIZATION

THIS TRANSACTION WILL BE REPORTED ON  
 BIA's SF 224 REPORT TO THE TREASURY  
 AS APPROPRIATE FOR THE  
 ACCOUNTING PERIOD ENDING 3-31-90

Document No.

B30340003

Accomplished

3-24-90

DISBURSEMENT (or reverse collection) Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		COLLECTION (or reverse disbursement) Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
SUMMARY		SUMMARY	
APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT
14X2364	\$500.00	1402100	\$500.00
TOTAL		TOTAL	
	\$500.00		\$500.00

INFORMATION: Description of transaction or reference to attached supporting documents.

Transferring SIBAC charges to proper account.

ACCOUNTING CLASSIFICATION

Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.

REQUESTING OFFICE	PROCESSING OFFICE
Organization <u>Fort Apache Agency</u>	Organization <u>Phoenix Area Office</u>
Area/Agency/ Location <u>H52-01</u>	Area/Agency/ Location <u>H50-01</u>
Address <u>P.O. Box 29</u> <u>Whiteriver, AZ 85302</u>	Address <u>P. O. Box 1</u> <u>Phoenix, AZ 35001</u>
Prepared by <u>Robert Bob.</u>	Reviewed by <u>Terry Tech</u>
Telephone No. <u>602-403-7329</u>	Date <u>3-24-90</u>
Approved by <u>William Williams</u>	Telephone No. <u>261-2100</u>
Recommended by _____	Recommended _____
	Actions: Process <input checked="" type="checkbox"/> Reject <input type="checkbox"/> (Give reason in Information Block)

CERTIFICATION

I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.

Bob Roberts  
 (Authorizing Official)

3-24-90  
 (Date)

261-2100  
 (Telephone No.)



Bureau Form BIA-4285 Revised March 1990		<b>BUREAU OF INDIAN AFFAIRS</b> <b>INTRA BUREAU CASH TRANSACTION AUTHORIZATION</b>	
THIS TRANSACTION WILL BE REPORTED ON BIA's SF 224 REPORT TO THE TREASURY AS APPROPRIATE FOR THE ACCOUNTING PERIOD ENDING <u>3-31-90</u>		Document No. <u>BB0340004</u> Accomplished <u>3-26-90</u>	
<b>DISBURSEMENT</b> (or reverse collection) Use only accounting transaction codes 50, 55 and 69 for transactions on this side.		<b>COLLECTION</b> (or reverse disbursement) Use only accounting transaction codes 59, 60 and 65 for transactions on this side.	
SUMMARY		SUMMARY	
APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND or RECEIPT SYMBOL	AMOUNT
14X5648	\$1,100.00	1402100	\$1,100.00
<b>TOTAL</b>	<b>\$1,100.00</b>	<b>TOTAL</b>	<b>\$1,100.00</b>
<b>INFORMATION:</b> Description of transaction or reference to attached supporting Documents. To transfer Payroll "ERR" charges to proper account.			
<b>ACCOUNTING CLASSIFICATION</b> Attach a Form 5-4236, "Financial Accounting System Code Sheet", showing the detailed accounting data for this transaction.			
REQUESTING OFFICE		PROCESSING OFFICE	
Organization <u>San Carlos Irrigation &amp; Power Proj</u> Area/Agency/ Location <u>H59-058</u> Address <u>P.O. Box 999</u> <u>Coolidge, AZ 85325</u> Prepared by <u>George Gorgus</u> Telephone No. <u>FTS 593-7642</u> Approved by <u>Charlie Charles</u> Recommended by _____		Organization <u>Phoenix Area Office</u> Area/Agency/ Location <u>H50-01</u> Address <u>P. O. Box 1</u> <u>Phoenix, AZ 85001</u> Reviewed by <u>H. Lee</u> Date <u>3-24-90</u> Telephone No. <u>261-2100</u> Recommended Actions: Process <input checked="" type="checkbox"/> Reject <input type="checkbox"/> (Give reason in Information Block)	
<b>CERTIFICATION</b> I certify that the transactions listed herein are correct and proper for payment from and to the appropriation(s) designated.			
<u>Jane Certifier</u> (Authorizing Official)		<u>3-24-90</u> (Date)	<u>261-2100</u> (Telephone No.)



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Accounting Procedures Handbook

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### 3.10 Individual Indian Money.

A. Introduction. This section covers the accounting procedures for funds owned by individual Indians or groups of Indians maintained in a banking type operation under the control of the Indian Service Special Disbursing Agent. These funds are accounted for under disbursing symbol 4844 and fund symbol 14X6039, Individual Indian Money, and are separate and distinct from tribal trust funds held in the Treasury.

B. Special Disbursing Agent. The Special Disbursing Agent must be covered by bond obtained by the Department of the Interior pursuant to Public Law 323, 84th Congress (69 Stat. 618; U.S.C. 14). (Section 3.12, Employees Surety Bonds, of this handbook.)

C. Deputy Disbursing Agents. The Indian Service Special Disbursing Agent may designate additional employees, when necessary to serve as Deputy Disbursing Agents (within the number allocated to the particular station) to act in his stead and perform the duties required by law and regulation. Deputy Disbursing Agents are covered by the same bonding requirements as the Special Disbursing Agent. They may not draw checks for any purpose against the account of the disbursing station after the death of the principal until notification has been received that a successor Special Disbursing Agent has been designated.

D. Disbursing Stations. The Treasury Department assigns numerical checking account symbols to the disbursing stations rather than to individual disbursing officers. (Treasury Department Circular No. 926, Revised.)

(1) Disposition of Unused Checks (Disbursing Stations Closed). When disbursing stations are closed, unused blank checks shall be returned to the Treasurer of the United States, Treasury Department, Washington, DC 20226. (Treasurer's Memorandum No. 2, Revised.)

(2) Change of Location. When the location of a disbursing station, printed at the head of the Treasury checks, has been changed once, it shall not be altered again, and the checks must be returned to the Treasurer of the United States.

E. Change of Disbursing Agents. When a disbursing officer of the United States ceases to act in that capacity, regardless of whether the disbursing station is closed or disbursing is continued by a successor, the Treasurer of the United States shall be notified.

(1) Unused Blank Checks. In the event of a change in disbursing agents at a station, the successor takes over the stock of blank

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checks and operates without change of symbol, unless otherwise required in individual cases by the Treasury Department. (Treasury Department Circular No. 926, Revised.)

(2) Addresses Until Settlement. Upon termination of disbursing duties, the former Special Disbursing Agent shall keep the office of the Bureau of Indian Affairs to which he or she was assigned, and the General Accounting Office, advised of post office addresses until the accounts of the disbursing station for the period served as SDA are settled.

(3) Agent Deceased. When the Special Disbursing Agent dies while in the employ of the Bureau, his final account shall be prepared and signed by his deputy, if he has one, otherwise, by his legal representative. In the latter case, the balance of funds for which he is accountable shall be verified by at least two disinterested persons who shall sign a certificate showing the amount of the balance with the Treasurer of the United States. A certificate is filed with the final account of the deceased SDA stating that the accounts are correct according to office records and that the balances shown in the general ledger accounts have been reconciled to the latest reconciliation statements received from the Treasurer.

(4) Final Account. When the Special Disbursing Agent is relieved from duty, he shall render an account as of the close of the last day of operation at the disbursing station, although the date may not be the close of the accounting period and the account is to continue in operation. All currency, checks, and other items held as cash, shall be deposited in a designated depository for credit of the disbursing station.

Where there is a successor Special Disbursing Agent, he shall open his accounts with the closing balances of the accounts as stated by his predecessor and report accounting transactions through the remainder of the monthly accounting period.

The accountability reports covering the final accountability of a Special Disbursing Agent at a disbursing station shall be plainly marked "final" in the blank space directly above the name lines.

F. Subsidiary Accounts, Ledgers, and Files.

(1) Subsidiary Accounts. Ledgers shall be maintained for the accounts subsidiary to the general ledger control accounts. (See section 2.4G of the Accounts Handbook for activity and Field 6 codes, general ledger pro forma entries, and coding illustrations.)

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(2) Subsidiary Ledgers (Individual Indian Account Ledgers).

The ledger consists of a jacket (Form 5-4216) and two inserts (Forms 5-4217 and 5-4218). Chemical coating on the jacket and inserts enables copies to be made without the use of carbon paper.

A separate ledger shall be maintained for each individual or group account and in the case of contract advances to tribes, a separate ledger shall be maintained for each contract; in addition separate ledgers shall be maintained for individuals and groups owning investments and securities.

Form 5-4216 is kept at the location where it is maintained; Form 5-4217 is distributed to the IIM account owner on June 30 as a statement of his account; Form 5-4218 is bound in identified volumes on June 30 each year, and stored in a separate location from the original Form 5-4216. Form 5-4218 may be destroyed after five years, except for ledgers of deceased Indians whose estates have not been probated.

Daily postings of collections and disbursements shall be made to the individual Indian account ledgers. Reference must be made on the account ledgers to identify the collection vouchers and checks issued.

(3) Control Ledgers. ISSDA control ledgers shall be maintained for each general ledger control account. Collections shall be recorded by entering the first and last collection voucher number and the summary total of collections. Disbursements shall be recorded by entering the disbursement block number, the first and last check number, and the summary total of disbursements.

(4) Reconciliation of Subsidiary Ledgers with General Ledger Accounts. The totals of subsidiary ledgers shall be reconciled with the general ledger control accounts on a monthly basis. Areas may elect to have the reconciliation performed by the disbursing point or by the servicing finance office. However, it shall be the responsibility of the servicing finance office to assure that such reconciliations are performed currently on a monthly basis. A file of the monthly reconciliations shall be maintained at the office performing the reconciliation. When the reconciliation is performed by the disbursing point, one copy of the report shall be submitted to the servicing finance office. The servicing finance office shall encode any corrections requested.

(5) Jacket Files. A jacket file shall be maintained for each ISSDA account as follows:

(a) Individual Indian Money Accounts. Documents shall be filed in the individual Indian's account file depending upon the

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method elected by the Area to be used under section 3.10H(1) below.

(i) Method 1. When the method shown under section 3.10H(1)(a) is used, all one-time, programmed, or permanent authorizations shall be filed in the individual jacket file.

(ii) Method 2. When the method shown under section 3.10H(1)(b) is used only the originals of programmed and permanent authorizations shall be filed in the individual jacket file.

(b) Tribal Accounts. Copies of documents supporting the credits, transfers to and from the accounts, and original signed documents approving the disbursements shall be filed in the jacket files.

(c) Special Deposit Accounts. Each jacket shall contain copies of the documents crediting and charging its respective account as well as the original signed authorization approving disbursements by check. These documents shall include copies of collection vouchers, journal vouchers, and original Standard Forms 1047.

(d) Contract Advances to Indian Tribes. Each jacket file shall contain copies of the collection vouchers, journal vouchers, and original tribal authorizations approving disbursements from its pertinent account. This account does not earn interest.

(e) Undistributed Interest Accounts. A jacket file shall be maintained for each undistributed interest account. The Division of Financial Management is the only disbursing point at which checks are issued from the interest account and the jacket file shall contain a copy of all disbursement and collection documents. Other locations maintain subsidiary field interest accounts and these jacket files shall contain a copy of each collection document and journal voucher recording an interest distribution.

(6) Restricted Access to Records. The confidential character of the Individual Indian Money accounts limits the access to such records to the following:

- (a) Employees whose duties require access.
- (b) General Accounting Office, Department, and Bureau of Indian Affairs auditors.
- (c) Department investigators.
- (d) Any departmental or Bureau of Indian Affairs line

\* officer. per. Rel. 9, 3-19-75

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(e) Other Federal, State or local governmental agency representatives upon presentation of a release of information form signed by an Individual Indian Account owner for whom verification of income and resources is necessary to establish eligibility for benefits.

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Per Rel. 9  
3-19-75  
officer.

G. Collections. SF 209, Certificate of Deposit, is used to deposit receipts, in commercial banks designated by the Secretary of the Treasury as an official depository authorized to hold U. S. Government funds, or in Federal Reserve Banks. (Section 3.9, Cash Collections, of this handbook.)

H. Disbursements. Disbursing agents who issue checks against individual Indian money accounts must be familiar with the Code of Federal Regulations, Title 25 - Indians, Part 104 (Part 108 for Osage). The regulations authorize the secretary or his authorized representative of an Indian reservation, agency, or establishment to cause the disbursement of funds from Indian money accounts. For simplification the Secretary or his authorized representative is hereafter referred to as the Superintendent or other officer in charge. The disbursing agent may, therefore, disburse funds only on the authority of the Superintendent. Where the Superintendent also serves as Disbursing Agent, he authorizes the disbursement of funds in his capacity as Superintendent.

Two witnesses to thumbprint signature on applications and thumbprint endorsement on checks shall be persons other than those participating in the preparation of the disbursement document or check.

(1) Individual Indian Account Application. Forms have been designed for use by individuals desiring to withdraw funds deposited to their IIM accounts. The deputy disbursing agent may disburse funds only on the basis of a properly executed application, signed by or on behalf of the IIM account owner and approved by the Superintendent, or an official designated to act in his capacity, or other employee delegated in writing by the Superintendent. A blanket authorization (application) may be initiated by the Superintendent in behalf of individuals whose funds do not require supervision. When funds are requested by letter, the letter must be attached to the application.

Two methods are provided for processing of authorizations. Method 1 is the system of filing all authorizations--one-time, programmed, and permanent authorizations--in the individual jacket file and should be used by Areas having a majority of permanent authorizations. Method 2 has been established for Areas that have a high rate of supervision (a large volume of programmed and one-time authorizations), since a greater number of authorizations will be filed numerically by check sequence number rather than by individual jacket file. Method 2 is intended to (1) lighten the filing workload, (2) permit the orderly retirement of records by specific periods of time, and (3) conserve filing space and equipment. Areas may elect to use either method depending upon Area

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situation; however, whichever method is selected that method should be used consistently Area-wide.

(a) Method 1. Form 5-4246 (Illustration 1), whether a one-time, programmed, or permanent authorization, shall be filed in the individual jacket file to support each disbursement.

(b) Method 2. Form 5-4246 has been modified and assigned different form numbers to be processed as follows:

(i) One-time Authorization (White) (Illustration 2). The original of Form 5-4247 shall be routed to the IIM Section. When a check is drawn against the authorization, check data information shall be reflected in the space provided on the authorization form either by pen and ink or typewriter.

The completed authorization shall then be filed in a book file in check order sequence with other completed "dummy" programmed and permanent authorizations.

(ii) Programmed Authorization (Pink) (Illustration 3). An original and one copy of Form 5-4248 shall be routed to the IIM Section. The original shall be filed immediately in the individual jacket file. The copy shall be filed in a ring binder in account number sequence. This shall constitute the IIM Section's working file. When revised programmed authorizations are received the superseded working copy shall be removed and destroyed.

When checks are drawn against the authorization on file, the check data information shall be entered in the space provided on a blank programmed authorization form. The "dummy" programmed authorization, containing check data information only, shall then be filed in a book file in check order sequence with other completed one-time and "dummy" permanent and programmed authorizations.

(iii) Permanent Authorization (Yellow) (Illustration 4). The original of Form 5-4249 shall be routed to the IIM Section. The Individual Indian Account Ledger, Form 5-4216, shall be annotated to show that a permanent authorization is on file and the original shall then be immediately filed in the individual jacket file. When a superseded authorization is issued the ledger shall be changed accordingly.

When checks are drawn against the authorization on file, the check data information shall be entered in the space provided on a blank permanent authorization form. The "dummy" permanent authorization, containing check data information only, shall then be filed in a book file in check

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order sequence with other completed one-time and "dummy" programmed and permanent authorizations.

(iv) Book File. The book file will contain all types of authorizations executed in accordance with the above instructions and filed in numerical check order sequence. The file should be in an "Acco" type binder and maintained by month. Authorizations on which checks were "VOIDED" shall also be placed in this file in order that there will be no break in check number sequence.

The book files may be transferred to the Federal Records Center after an official audit has been performed by the Bureau's Office of Audit or the lapse of two full fiscal years.

(2) Tribal Disbursements. The Individual Indian Account Application form is not intended, nor should it be used, to support disbursements from tribal or other group funds.

In approving a disbursement document received from a tribal office or other Indian organization, the Superintendent or his authorized representative need approve only so far as to indicate that the organization officer has the necessary approving authority from the organization.

(3) Special Deposit Account Disbursements. Disbursements from Special Deposit accounts shall be made based upon a properly prepared SF 1047 signed by the branch chief responsible for disposition of the deposit or the Superintendent.

(4) Form 5-4212, Individual Indian Money Accounts Purchase Order. This form is designed as a purchase order, invoice, and document to support disbursements from the IIM and the Disbursing Agent's accounts. The original of the form, properly executed, goes to the vendor and becomes the invoice as well as the authorization for disbursement and is filed in the IIM jacket at the time of payment.

(5) Standard Form 1017-G, Journal Voucher. Adjustments or transfers between Individual Indian Money accounts are accomplished by the use of this form, prepared in duplicate, or as indicated in the specific uses described below. A separate series of numbers is used for the ISSDA accounts beginning with No. 1 each fiscal year. The original journal voucher supports the Form 5-4250, Disbursements and Adjustments ISSDA; the copy is used to adjust subsidiary ledgers and is retained in the agency files.

(6) Payment of a Loan from an Indian's Account to a Tribe Whose Banking is Done by the Indian Service Special Disbursing Agent.

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Transactions of the foregoing nature may be effected through the use of SF 1017-G, Journal Voucher. The journal voucher should contain sufficient information to show the authority for the transfer in the IIM accounts (refer to loan agreement by number and date) and should be approved by the office authorized to approve such disbursements from the Indian's individual account; or there should be attached to the journal voucher a properly prepared document authorizing the transfer signed by the designated approving official. Copies of the journal voucher shall be furnished the tribe and the Indian from whose account the transfer is made.

(7) Closing Estate Accounts. Immediately upon the agency being notified by the Administrative Law Judge as to the Order Determining Heirs, the Probate Clerk in the Branch of Real Property Management will issue DI-1040, Bill for Collection, covering the probate fee.

After the 60-day appeal period has expired, the Probate Clerk will prepare the Claim Settlement Authorization (Illustration 5) in triplicate from data taken from the final order. After being signed by the Probate Clerk and approved by an authorized officer, the original and one copy of the authorization shall be delivered to the IIM Section. One copy of the authorization shall be retained by the Probate Clerk for information purposes only.

The IIM Maintenance Clerk shall then make payment as funds accrue and shall record the payment data on both copies of the authorization. When all payments have been made or the time limit expires, the IIM Maintenance Clerk shall prepare a journal voucher distributing any funds remaining in the estate account. A copy of the journal voucher, together with a completed copy of the authorization, shall be furnished the Probate Clerk who will then complete the probate record and make necessary adjustments in the heirship ownership records. If there are no funds in the estate at time of closing, a memorandum shall be issued in lieu of the issuance of a journal voucher.

Once the estate account is closed, it shall not be reopened unless there is an issuance of an "Order Vacating Prior Order and New Order Determining Heirs".

(8) Overdrafts.

(a) Responsibility for Errors. Disbursing Officers and IIM clerks are responsible for losses due to their errors of commission or omission. Other employees responsible for identifying the individual accounts involved and the amounts to be credited thereto, respectively, are also liable for losses occasioned due to their errors.

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(b) Overdrafting Accounts. If a credit to an individual account is subsequently found in error and funds were already disbursed from such account, immediate adjustment action should be instituted. In no instance should the erroneous payment delay the payment of funds to the rightful owner. The Comptroller General of the United States has determined that the ISSDA does not assume additional personal liability by overdrafting accounts to make proper payments since, in so doing, he is discharging a legal debt of the Government. Any personal liability on the part of the ISSDA is incurred at the time the erroneous disbursement is made and not at the time the proper account is subsequently credited.

(c) Documentation and Follow-up of Overdrafts. When a check is issued and it is subsequently found that the payee is not entitled to the proceeds thereof, every effort should be made to recover the check before being cashed. If the check has been cashed, every effort should be made to recover the amount from the individual to whom the check was erroneously issued. Overdrafts must be documented as follows:

(i) Individual Indian Account Ledger. Annotate the individual Indian account ledger (Form 5-4216) to hold all funds to offset the erroneous payment. The Branch of Realty (Title Plant) should be contacted to determine whether the individual has income from other trust holdings which could be utilized.

(ii) Jacket File. The following documentation must be available in the individual jacket file: (1) how the overpayment was caused, (2) what caused the overdraft status of the account, (3) when collection may be expected, and (4) the source of income which will eliminate the overdraft. When it is known that collection action cannot be made within a reasonable length of time from income accruing to the account from trust sources, there must be on file letters, or other documentation to prove that the payee has been contacted and asked to repay the erroneous payment. In estate cases the Administrative Law Judge should be notified of the overdraft.

(d) Report of Overdrafts and Relief for Overpayment. Section 1 of the act of August 1, 1947, as amended by the Act of August 9, 1955, 69 Stat. 626, 31 U.S.C. 82a-1, authorizes the General Accounting Office to relieve any disbursing officer charged with responsibility on account of deficiency of Government funds and to restore or otherwise adjust the account of the disbursing officer from appropriations currently available for the expense of the disbursing function as provided in 31 U.S.C. 82a-1.

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Semi-annually as of March 31 and September 30 of each year disbursing officers shall submit a report of overdraft balances, in the format shown in Illustration 6, to the servicing finance office. The servicing finance office shall transmit those reports covering uncollectible overdrafts to the Division of Financial Management for submission to the General Accounting Office for relief by the Comptroller General. (3 GAO 30.2)

(9) ISSDA Checks. Checks may be issued at any time of the month, however, disbursing points shall notify the ISSDA Section, Division of Financial Management, whenever there is a difference of \$100,000.00 or more between the collections and disbursements for a day's business.

Checks must be in the proper custody of authorized Government employees at all times until delivery. ISSDA checks may be delivered by employees over the counter directly to individuals to whom such checks are drawn or mailed to addresses furnished by such individual account owners. Each individual account owner shall be known by or identified to the employee who delivers checks in person.

All regulations and procedures relating to the preparation and issuance of ISSDA checks are contained in section 3.4, U. S. Treasury Checks, of this handbook. All IIM Maintenance Clerks should familiarize themselves with this section of the handbook.

(10) Submission of Check Copies and Journal Vouchers With Form 5-4250. The check disbursements and journal voucher transactions shall be blocked and submitted daily on Form 5-4250 (Illustration 7). Form 5-4250 is to be prepared in an original and three copies. One copy is to be retained at the disbursing point and the original and two copies, together with the buff card check copies, are to be forwarded to the servicing finance office (encoding point). An adding machine tape of the checks issued, in numerical sequence, is to be attached to the agency retain copy of Form 5-4250. An adding machine tape, in duplicate, is to be forwarded to the servicing finance office with the check copies and Form 5-4250. The original of the spoiled checks (classified as "void") shall be listed on Form 5-4250 in numerical sequence and forwarded with the card check copies.

The original copies of the journal vouchers are to be forwarded daily to the servicing finance office with Form 5-4250. Whenever interest transactions are involved, the original and two copies are to be submitted.

The servicing finance office will encode daily the transactions reported on Form 5-4250 and mark them "ENCODED \_\_\_\_\_" (applicable

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month). If encoding cannot be accomplished within the month of issue, it is to be done in the subsequent month. Such transactions will be considered business for the month encoded. The original Form 5-4250, with adding machine tape of checks issued attached, and one copy of Form 5-4250 together with the check copies and the original voided checks will be forwarded daily to the Division of Financial Management. The envelope or package shall be marked plainly in a convenient space "ISSDA-TRANSACTIONS". Whenever interest transactions are involved, the servicing finance office will submit one copy of the journal voucher to the ISSDA Section, Division of Financial Management.

The coding and preparation of coding sheets is covered in detail in section 2.11, Coding Sheets and Illustrations, of the Accounts Handbook.

I. Reporting of Interest to Internal Revenue Service. The Internal Revenue Service ruling of September 18, 1964, determined the following with respect to the reporting of interest on funds held in trust for the benefit of individual Indians.

(1) Interest distributed semi-annually by ISSDA to individual Indian accounts does not come within the definition of interest set forth under section 1.6049-2 of the Internal Revenue Code. Therefore, no information return is required to be filed in those instances where the amount of the interest distributed in any calendar year by the ISSDA to an individual Indian account owner is \$10 or more, but less than \$600.

(2) Interest distributed semi-annually by ISSDA to individual Indian accounts does come within the definition of interest set forth under section 1.6041-1 of the Internal Revenue Code. Therefore, information returns must be filed in those instances where the amount of the interest distributed in any calendar year by the ISSDA to an individual Indian account owner is \$600 or more.

Accordingly, disbursing points shall file Internal Revenue Forms 1096 and 1099 with respect to the interest payments, aggregating \$600 or more annually, distributed to Indians in accordance with section 3.11H of this handbook.

J. Disposition of Unclaimed Moneys (Individual Indian Moneys and Special Deposit).

(1) Deposit of Unclaimed Moneys.

(a) Special Deposit and Individual Indian Moneys Accounts of Individuals Whose Whereabouts are Unknown. Special Deposit Accounts of individuals and Individual Indian Moneys belonging to adult individ-

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uals whose whereabouts have been unknown for more than one year shall be deposited to: 20X6133, Payment of Unclaimed Moneys (T), when individual items meet all four of the following criteria:

The amount is \$5.00 or more;

A refund, upon claim, would be absolutely justified (the fact that the item had been credited to account 20X6133 does not by itself, justify a refund);

There is no doubt as to legal ownership of the funds; and

A named individual, business or entity can be identified with the item.

An itemized list of deposits applicable to 20X6133 shall be attached to the confirmed copy of SF 219, Certificate of Deposit, submitted to the Division of Financial Management.

Special Deposit Accounts of individuals and Individual Indian Moneys belonging to adult individuals whose whereabouts have been unknown for more than one year shall be deposited to: 141060, Forfeitures of Unclaimed Moneys and Property, when individual items are less than \$5.00.

(b) Special Deposit Accounts of Individuals Whose Whereabouts are Known. Special Deposit Accounts being held for which the original purpose is obscure or for which the record cannot be cleared without an unreasonable amount of research as to the proper ownership of the funds shall be deposited to: 20X6029, Unclaimed Moneys of Individuals Whose whereabouts are Known, Treasury (T).

An itemized list of deposits applicable to 20X6029 shall be attached to the confirmed copy of SF 219, Certificate of Deposit, submitted to the division of Financial Management.

(2) Records. Individual card files are to be maintained to account for funds deposited to 20X6029 and 20X6133 at both the disbursing point and the servicing finance office. All claims shall be directed through the servicing finance office.

K. Review of Individual Indian Moneys and Special Deposit Accounts. Individual Indian Moneys and Special Deposit Accounts shall be analyzed semi-annually as of March 31 and September 30 to determine the accounts which have been inactive for more than one year. A listing of these accounts shall be prepared by the IIM Maintenance Clerk for submission to the source activity for recommendation as to appropriate disposition.

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In the case of Individual Indian Moneys Accounts, the listing shall be referred to the Administrative Officer/Manager for action.

A Special Deposit Account over one year old shall be retained in the records only if it is still active or the purpose for which the account was established is currently being pursued. Unclaimed balances which may be properly refunded should be promptly returned to the depositor without the necessity for presentation of claims.

Disposition of unclaimed moneys should be made in accordance with section 3.10J above.

(1) Review of Supervision over Disbursement of Adult Individual Indian Money Funds. It is the responsibility of disbursing points to review the accounts of adults whose funds are supervised under authority contained in CFR 104.9 to determine in each case whether the need for supervision still exists. Certain criteria for supervising funds in this category is contained in 66 BIAM 6.4.7F

L. Accounting for Funds of Canadian Indian Nationals. Canadian Indian Nationals are not considered to be Indians as far as the trust responsibilities of the Department of the Interior and the Bureau of Indian Affairs are concerned. Although leases, permits, and other transactions administered by the Bureau should exclude the interest of non-Indians and Canadian Indian Nationals, collections of funds belonging to Canadian Nationals are frequently made by the Bureau. This results when it is not possible to identify certain heirs as Canadian Nationals at the time the leases are negotiated, when they are determined to be heirs after leases are negotiated, or when they are determined to be heirs after funds have already been credited to an estate account. Arrangements previously made with the Administrator of Estates, Indian Affairs Branch, Department of Indian Affairs and Northern Development, of the Canadian Government, have been withdrawn.

Therefore, funds received for Canadian Nationals should be deposited to account 206.70, Deposits-Other, and treated in the same manner as deposits for non-Indians.

Superintendents should not arbitrarily determine that an Indian is a Canadian National just because he lives in Canada, nor because someone thinks he is a Canadian National. Central Office memorandum of May 21, 1957, states that the Office of the Solicitor has concluded that Administrative Law Judges will incorporate in their Orders Determining Heirs their findings as to whether heirs or devisees of deceased Indians are nationals of another country. In those cases in which Bureau records indicate the issue may be material, but in which there has been no ad-

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judication of the question, he will reopen cases upon request from the Superintendents. In cases where an Indian dies owning trust or restricted property and there is doubt that he or his heirs are Indians of the United States, the Superintendent should call this situation to the attention of the Administrative Law Judge in referring the case to him in order that he may consider the question before assuming probate jurisdiction. Only a written determination by him may be relied upon in determining whether an Indian is a Canadian National.

M. Reports and Supporting Documents. Forms are prescribed for monthly reporting to the Treasury Department on the funded checking account transactions by the Special Disbursing Agent. Normally all external reports are prepared and submitted by the Division of Financial Management. Accuracy and punctuality in preparing and submitting the reports are emphasized.

(1) Standard Form 1178, Statement of Funded Checking Account and Report of Checks Drawn on the Treasurer of the United States. Instructions for preparing the report are on the reverse of the form in Treasurer's Memorandum No. 3, Revised. Line 2(a) of the report is supported by the list of Certificates of Deposit, SF 209, and Debit Vouchers Form 5504.

(2) Standard Form 1179, Recapitulation of Block Control Level Totals of Checks Issued. Treasurer's Memorandum No. 3, Revised, provides information for preparation of this report for funded checking accounts. Note that amounts on lines 1, 2, and 3 of SF 1179 must agree with amounts reported on lines 4, 5, and 6 of SF 1178.

(3) Standard Form 1219, Statement of Accountability. The report of the Special Disbursing Agent's accountability to the United States is described as it applies to the Bureau of Indian Affairs, in the following paragraphs.

Do not use Parts B, C, and D of Section 1. Use only Part A of Section 11 on the reverse of the form and the lines described below.

(a) Report with No Deposit Funds in Banks.

Line 1.0	Total Accountability Beginning of Period:	Show zero balance.
Line 2.1	Checks Issued on Treasurer, U.S.:	Show total ISSDA Treasury checks issued during the month, including any adjust- ments of check issue amount

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		reported in prior months.
Line 2.2	Collections:	Show total deposits during the month to ISSDA credit in account with Treasurer of the U.S., net of adjustments and uncollectable checks. The amount must agree with that in Column 3 of SF 1220.
Line 2.9	Total Increases in Accountability:	Total of Lines 2.1 and 2.2.
Line 3.0	Subtotal:	Same as Line 2.9.
Line 4.1	Gross Disbursements:	Gross Disbursements for the month. Same as amount in Column 4 of SF 1220.
Line 4.21	Confirmed Deposits to checking account with Treasurer, U.S. (Funded Checking Accounts Only):	Show total deposits made, evidenced by confirmed SF 209s net of related debit vouchers and uncollectable checks.
Line 4.9	Total Decreases in Accountability:	Total of Lines 4.1 and 4.21.
Line 5.0	Total Accountability Close of Period:	Difference between lines 3.0 and 4.9; the result is <u>zero</u> .

(b) Report with Funds on Deposit in Commercial Banks.

Line 1.0	Total Accountability Beginning of Period:	Show balance on deposit in banks, beginning of period.
Line 2.1	Checks Issued on Treasurer, U.S.:	Total ISSDA Treasury checks issued during the month, including adjustments of check issue amounts reported in prior months.
Line 2.2	Collections:	Total deposits during the

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		month to ISSDA credit in account with Treasurer of the U.S., net of adjustments and uncollectable checks. Include deposits of interest earned on funds in banks less deposits of matured investments in banks.
Line 2.9	Total Increases in Accountability:	Total of Lines 2.1 and 2.2.
Line 3.0	Subtotal:	Total of Lines 1.0 and 2.9.
Line 4.1	Gross Disbursements:	Gross Disbursements from local bank and Treasury EXCEPT checks drawn on Treasury for deposit in local banks, i.e., total checks drawn <u>less</u> checks for deposit into banks (same as amount in Column 4 of SF 1220).
Line 4.21	Confirmed Deposits to checking account with Treasurer, U.S. (Funded checking accounts only):	Total deposits, evidenced by confirmed SF 209s, net of related debit vouchers and uncollectable checks.
Line 4.9	Total Decreases in Accountability:	Total of Lines 4.1 and 4.21.
Line 5.0	Total Accountability Close of Period:	Line 3.0 less 4.9.
Line 6.1	Cash on Deposit in Designated Depository:	Same as Line 5.0.
Line 8.0	Total of my Accountability:	Same as Line 6.1.
Line 11.0	Total Disbursing	Same as Line 8.0.

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Office Accountability:

(4) Standard Form 1220, Statement of Transactions According to Appropriations, Funds, and Receipt Accounts. This form is a report by fund symbol of deposits (in Column (3)) and disbursements (in Column (4)). In addition, transactions involving purchases and sales of U.S. Securities are reported on SF 1220 at par or face value.

The amounts on the first line opposite the fund symbol in Columns (3) and (4) exclude the par value of securities sold and purchased; securities sold and purchased; securities transactions are listed on a separate line at par or face value; the amounts on the TOTALS line, Column (3) (adjusted repayments plus par value of securities sold) and Column (4) (adjusted disbursements plus par value of securities purchased) equal Lines 2.2 and 4.1 of SF 1219.

(a) Monthly Report of Transaction - ISSDA - Commercial Bank Investments. A report is required monthly from each Agency, Area, or disbursing point, to be submitted to the Division of Financial Management within five days after the close of the month. In this connection, please refer to Illustration 8.

(b) Monthly Report of Transactions - Treasury Securities. A report is required monthly from each Agency, Area, or disbursing point, to be submitted to the Division of Financial Management within five days after the close of the month. In this connection, please refer to Illustration 9.

(5) Distribution of Reports. On or before the 10th of the month, the Division of Financial Management reports the transactions (or absence of transactions) for the 4-digit symbol account for the previous month. The reports are distributed as follows:

(a) Original SF 1178 (supported by Certificate of Deposit and Debit Voucher listings) and

Original SF 1179, (supported by copies of checks drawn, Voided Checks; Form TUS 5206 to support Line 2(a) and SF 1017-G to support Line 2(b); and listings of Voided Checks).

Mail to: Treasurer of the United States  
Check Accounting Division  
Reconciliation Branch  
General Accounting Office Building  
Washington, D. C. 20226

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(b) Original signed SF 1219 and SF 1220.

Mail to: Division of Government Financial Operations  
Government Accounts & Control Branch  
Bureau of Accounts  
Annex No. 1, Room 444  
U. S. Treasury Department  
Washington, D. C. 20220

(These reports must reach the foregoing offices not later than the 9th working day of the month following the end of the reporting period.)

N. Reconciling Items - Adjustment of Errors. Refer to Treasurer's Memorandum No. 3, Revised, for descriptions of the forms used to reconcile the Special Disbursing Agent's accounts with the Treasury accounts and for instructions in correcting accounts and reports.

(1) Form TUS 5206, Advice of Check Issue Discrepancy. Informs the disbursing offices of differences of more than \$1.00 between checks issued and paid.

(2) Form TUS 5207, Reconciliation Statement of Funded Checking Account Maintained with the Treasurer of the United States. Is sent to the disbursing offices only when requested in writing. It is no longer necessary to request this form in view of other methods of achieving reconciliation with the Treasury Department.

(3) Form TUS 3024, Letter of Advice. Is used to advise disbursing offices of discrepancies on Line 1 of SF 1179.

(4) SF 1017-G, Journal Voucher. Is used by the disbursing activity for (1) prior month check issue discrepancies, or (2) to decrease prior months' issues in the case of Void-Reissued Checks, and (3) in conjunction with Treasury Form TUS 5206.

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42 BIAM SUPPLEMENT NO. 3  
Form 5-4246  
September 1972  
INDIVIDUAL  
INDIAN ACCOUNTS  
APPLICATION

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
..... AREA OFFICE

3.10  
Illustration 1

AREA DIRECTOR OR SUPERINTENDENT:  
.....

SIR:

I hereby apply for \$..... of Indian Money credited to my account on the books of your office, to be expended for the following purposes:

Indian ..... Tribe ..... Roll No. ....

Permanent address .....

IF UNABLE  
TO WRITE

MAKE THUMB-  
PRINT HERE

RECOMMENDATION AND APPROVAL

I do ..... recommend approval of the above request. The exact title of account as carried by your office is:

Account:

Indian ..... Tribe ..... Roll No. ....

Mailing address:

(If other than permanent address) .....

Approved for \$..... Date .....  
(Field representative) (Field station) (Welfare officer) (Other) (Date)

AUTHORITY REFERENCE:

PURPOSE:

Paid by check No. .... Date ..... Date mailed .....

(SUBMIT ORIGINAL ONLY: Additional copies as required by Field Representative and applicant)

Supp. 3, Release 6, 2/27/73

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42 BIAM SUPPLEMENT NO. 3  
Form 5-4247  
September 1972  
INTERIOR  
INDIAN

ALBUQUERQUE, NEW MEXICO

3.10  
Illustration 2

CHECK NO. \_\_\_\_\_

AUTH.

ACCT.

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INDIVIDUAL INDIAN ACCOUNTS APPLICATION  
(One-Time Authorization)

Area Director or Superintendent  
\_\_\_\_\_

I hereby apply for \$ \_\_\_\_\_ of Indian money credited to my account No.  
\_\_\_\_\_ for use as follows:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Witnesses to Thumbprint: \_\_\_\_\_  
\_\_\_\_\_

Thumbprint  
signature:

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RECOMMENDATION AND APPROVAL

The above application is hereby recommended and approved for \$ \_\_\_\_\_  
from the account of \_\_\_\_\_ as of  
\_\_\_\_\_ 19\_\_.

\_\_\_\_\_  
Recommending Officer

\_\_\_\_\_  
Approving Officer

(DISTRIBUTION: Original - upon completion of upper portion when check drawn place  
authorization in book file.)

Account No. \_\_\_\_\_

One-Time Authorization

Supp. 3, Release 6, 2/5/73

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42 BIAM SUPPLEMENT NO. 3  
Form 5-4248  
September 1972  
INTERIOR

ALBUQUERQUE, NEW MEXICO

3.10  
Illustration 3

CHECK NO. \_\_\_\_\_

INDIAN

AUTH.

ACCT.

INSTRUCTIONS: When check drawn against authorization on file complete this portion (leave lower portion blank) and place in book file. Show address on check when mailed.

INDIVIDUAL INDIAN ACCOUNTS APPLICATION  
(Programmed Authorization)

Area Director or Superintendent

Date: \_\_\_\_\_

As provided by 42 BIAM 3.10H(1) it has been administratively determined that supervision is required of \_\_\_\_\_ (name of Indian) funds derived from following source: Any and All ( ), Land Sale ( ), Timber Sale ( ), Tribal Payment ( ), Other ( ) Specify: \_\_\_\_\_ Therefore, it is agreed that any funds derived from the source indicated and credited to Account No. \_\_\_\_\_ will be used as follows:

Witnesses to Thumbprint: \_\_\_\_\_

Thumbprint signature:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Recommending Officer

\_\_\_\_\_  
Approving Officer

DISTRIBUTION: Original - Jacket File  
Copy - Working File

Account No. \_\_\_\_\_

Programmed Authorization

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INTERIOR

CHECK NO. \_\_\_\_\_

INDIAN

AUTH.

ACCT.

INSTRUCTIONS: When check drawn against authorization on file complete this portion (leave lower portion blank) and place in book file. Show address on check when mailed.

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INDIVIDUAL INDIAN ACCOUNTS APPLICATION  
(Permanent Authorization)

Deputy Disbursing Agent

Date: \_\_\_\_\_

As provided by 42 BIAM 3.10H(1) it has been administratively determined that no supervision is required of \_\_\_\_\_ (name of Indian) funds. Therefore, any and all funds accruing to Account No. \_\_\_\_\_ should be immediately disbursed to the account owner.

This authorization is to remain in effect until rescinded.

\_\_\_\_\_  
Approving Officer

DISTRIBUTION OF AUTHORIZATION: Original - Jacket File  
(Notate Ledger Account)

Account No. \_\_\_\_\_

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\*Permanent Authorization



REPORT OF OVERDRAFT BALANCES - ISSDA

Disbursing Point \_\_\_\_\_ Date \_\_\_\_\_

A. Name and Account No.:

B. Cause of Overpayment:

C. Documents Creating Overdraft:

D. Collectible: \_\_\_\_\_ If so, state source of income which will eliminate the overdraft or overpayment.

E. Uncollectible: \_\_\_\_\_ If collection cannot be made, attach copies of collection attempt made and recommendation, including funds to be charged.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**DAILY DISBURSEMENT REPORT I.S.S.D.A.**

CHECKS ISSUED \_\_\_\_\_ JULIAN DATE (1-5) \_\_\_\_\_ AREA/AGENCY NO. (7-9) \_\_\_\_\_  
 FROM \_\_\_\_\_ TO \_\_\_\_\_ VT \_\_\_\_\_  
 (11-19) (21-29) DOCUMENT NO. (FIELD 9) (31-39) \_\_\_\_\_

IF THE DISBURSEMENT IS FOR ONLY ONE (1) CHECK, SHOW THE SAME CHECK NUMBER IN BOTH THE "FROM" AND "TO" SPACES. NUMBER OF CHECKS (41-43) (LESS VOID CHECKS - LISTED ON REVERSE SIDE)

	ACCOUNT NO.	DEBIT	CREDIT
1. DEPOSITS - INDIVIDUAL INDIANS OR ORGANIZATIONS (IIM)	206.10		xxxxxxx
CONTRACT ADVANCES TO INDIAN TRIBES	206.50		xxxxxxx
DEPOSITS - OTHER (SUSPENSE)	206.70		xxxxxxx
DISBURSEMENTS	104.31	xxxxxxx	
			(45-55)
2. MISCELLANEOUS TRANSACTIONS			
JOURNAL VOUCHER NOS. _____			
DEPOSITS - INDIVIDUAL INDIANS OR ORGANIZATIONS (IIM)	206.10		
DEPOSITS - UNDISTRIBUTED INTEREST GROUP EARNINGS - FIELD LEVEL	206.21		
DEPOSITS - UNDISTRIBUTED INTEREST FIELD DISTRIBUTION - BUREAU LEVEL	206.23		
CONTRACT ADVANCES TO INDIAN TRIBES	206.50		
DEPOSITS - OTHER	206.70		

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SIGNED \_\_\_\_\_

DATE \_\_\_\_\_

COLUMN 80 \_\_\_\_\_  
(FOR BUREAU USE ONLY)

MONTHLY REPORT OF TRANSACTIONS  
OF  
ISSDA - COMMERCIAL BANK INVESTMENTS

Disbursing Point \_\_\_\_\_ Date \_\_\_\_\_

<u>Date</u>	<u>C/D No.</u>	<u>Name &amp; Location of Bank</u>	<u>Purchases</u>	<u>Withdrawals</u>	<u>Balance*</u>
-------------	--------------------	--	------------------	--------------------	-----------------

Purchases and withdrawals reported hereon must agree with those encoded within current month.

\*Balance of C/D's must agree with "print-out" totals for month in general ledger account.

APPROVED: \_\_\_\_\_  
(Name)

PREPARED BY: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

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MONTHLY REPORT OF TRANSACTIONS  
OF  
ISSDA - SECURITY TRANSACTIONS

Disbursing Point \_\_\_\_\_ Date \_\_\_\_\_

Description	PURCHASES		REDEMPTIONS		Balance*
	Purchase Price	Par Value or Maturity Value	Purchase Price	Par Value or Maturity Value	

APPROVED: \_\_\_\_\_ (Name)  
PREPARED BY: \_\_\_\_\_ (Name)

\_\_\_\_\_  
(Title) \_\_\_\_\_ (Title)

\*Balance of Securities must agree with "print-out" totals for month in general ledger account.

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### 3.11 Investments

A. Authority. Funds held in trust for the benefit of tribes and individual Indians may be invested in (1) public debt obligations of the United States; (2) bonds, notes, or other obligations which are unconditionally guaranteed as to both principal and interest by the United States; (3) commercial banks in custodial savings accounts; and (4) commercial bank time deposit certificates. The latter two investments must be secured by acceptable collateral security therefor in the form of any public debt obligations of the United States and in any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, as provided for by the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162a).

Osage funds are authorized to be invested in other securities by the Act of March 3, 1921 (41 Stat. 1250) and the Act of February 27, 1925 (43 Stat. 1008-1009).

*per. Rel. 10  
3/28/77*

B. Authority Vested in Chief, Division of ~~Financial~~ <sup>ACCOUNTING</sup> Management. The Chief, Division of Financial Management, or anyone acting in his stead, is authorized to exercise the authority vested in the Secretary of the Interior under the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162a), which relates to the investment of tribal and individual trust funds in banks, in public debt obligations of the United States, and in bonds, notes, or other obligations which are unconditionally guaranteed as to both principal and interest by the United States.

C. Authority Vested in Area Directors. Area Directors may invest tribal trust funds in banks, in public debt obligations of the United States, and in bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, as provided by the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162a), and the investment of funds of Osage Indians as provided by Section 4 of the Act of March 3, 1921 (41 Stat. 1250), and in Section 1 of the Act of February 27, 1925 (43 Stat. 1008-1009).

D. Investment Policy. Area Directors and Superintendents shall encourage Indian participation in investment planning and shall provide for counsel and advice to the Indians, associations of Indians, and Indian tribes, on the investment of their surplus moneys. Negotiations for the purchase and sale of Government securities involving unrestricted funds under the local control of Indians should be made by adult Indians, associations of Indians, and Indian tribes, in all cases where they are able to transact business for themselves. Advice

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should be given whenever necessary. It will be the responsibility of the Area Directors to notify the Division of Financial Management, Attention: Branch of Investments and ISSDA, when funds are available for investment. The amount of surplus funds available and the period of time such funds can remain invested are guiding factors in selecting securities that will yield the best possible return.

(1) Treasury Securities. United States bonds, notes, bills, and United States Savings Bonds are securities meeting the requirement for the investment of Indian trust funds by the Bureau. "Public debt obligations" includes only bonds issued by the United States Treasury.

(2) Other Obligations. "Bonds, notes, or other obligations which are unconditionally guaranteed as to both principal and interest by the United States" includes obligations fully or unconditionally guaranteed or insured by a Government agency pursuant to a Congressional grant of authority for a constitutional purpose. By existing statute and in accordance with existing policy, certain securities are considered proper for investment of ISSDA funds. Some examples are as follows:

(a) Farm loan bonds issued by Federal land banks, section 27 of the Federal Farm Loan Act of 1916, 39 Stat. 380, 12 U.S.C. 941.

(b) Obligations of the Federal home loan banks, section 15 of the Federal Home Loan Bank Act of 1932, 47 Stat. 736, 12 U.S.C. 1435.

(c) Debentures of the Federal intermediate credit banks, section 6(b) of the Farm Credit Act of 1935, 49 Stat. 316, 12 U.S.C. 1045.

(d) Debentures of the banks for cooperatives, section 1 of the Act of August 23, 1954, 68 Stat. 770, 12 U.S.C. 113m.

(e) Participation certificates of the Federal National Mortgage Association, section 311 of the FNMA Charter Act, as enacted in the Housing Act of 1954, 68 Stat. 622, and as amended by section 701(b) of the Act of September 2, 1964, 12 U.S.C. 1723c.

E. Treasury Department Service and Requirements. As a service to the Bureau, the Treasury Department will purchase or sell Government securities, upon request by officials who have been authorized by the Commissioner of Indian Affairs to purchase or sell Government securities.

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The Chief, Division of <sup>ACCOUNTING</sup> ~~Financial~~ Management, or persons acting in his stead, presently are the only persons who may exercise this authority.

(1) Safekeeping. All securities purchased by the Treasury Department for the Bureau are held for safekeeping in the United States Treasury. Safekeeping receipts are held by the Bureau in lieu of the actual security. Safekeeping receipts issued by the Treasury Department shall be retained in a safe and shall be made available to authorized Government auditors upon request. Receipts for maturing securities sent to the Treasury Department shall be transmitted by letter, which shall identify each receipt by number, type, and denomination, including reference to maturity date. These receipts shall be reviewed periodically and reconciled with the Treasury Department and applicable general ledger account to determine that the records are in agreement.

(2) Signature Cards. Persons authorized to request the Treasury Department to procure securities are required to furnish signature cards in triplicate to the Central Office for forwarding to the Treasury Department.

(3) Purchase of Securities. A letter should be prepared to request the purchase of securities. It should be addressed to:

Chief, Investment Operations  
Treasury Department  
Washington, D. C. 20220

The letter should contain information as follows:

- (a) Type of securities desired and date they were issued.
- (b) Date security will mature.
- (c) Face amount.
- (d) Date delivery desired.
- (e) Citation to fund symbol and amount available to pay for security.
- (f) How the security or safekeeping receipt is to be issued. (i.e., Chief, Division of Financial Management, Bureau of Indian Affairs, in trust for \_\_\_\_\_.)

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F. Group Securities

(1) Surplus Moneys in Cash Account. When a cash balance exists in the account of the Indian Service Special Disbursing Agent which is in excess of needs for disbursements, such amount may be invested in United States bonds, notes, bills, or other obligations which are unconditionally guaranteed both as to principal and interest by the United States. The funds are to be invested by the Investment and ISSDA Branch.

(2) Methods of Purchase. Requests for the purchase of United States Treasury securities shall be made by letter, original and one copy, to the United States Treasury Department, Division of Investments, Washington, D. C. 20220. See section 3.11E(3) above.

(a) Safekeeping receipts to be issued subject to the order of the Chief, Division of Financial Management, for the account of Individual Indian Money 4844.

(b) All securities are to be held for safekeeping in the Treasury.

(c) Interest payments for coupon bonds are to be deposited in the official account of the Indian Service Special Disbursing Agent, whose name, title, address, and symbol number must be clearly stated. For registered securities, the check should be drawn exactly as the bonds are inscribed.

(d) The Treasury Department will report the total cost of securities purchased, and a check should be issued and mailed promptly by the disbursing agent.

(3) Purchase Price. The purchase price of group securities purchased from ISSDA funds shall be reflected as a debit to the appropriate general ledger account for investments and securities at the Bureau level (108.10, 108.20, 108.30, 108.40, or 109.30) and a credit to general ledger account 104.00, Deposit Funds in United States Treasury (Net). The interest and/or capital gain realized by cash payments will be debited to general ledger account 104.71, Collections (Dr), and credited to general ledger account 206.20, Undistributed Interest-Group Earnings-Bureau Level. A reasonable balance will be retained in general ledger account 206.20, Undistributed Interest-Group Earnings-Bureau Level, as a reserve to avoid overdrafts caused by sales below par value and to provide funds for the payment of interest on accounts being closed between interest periods.

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(4) Sale or Redemption. Requests for sale or redemption of group securities shall be made by letter, original and one copy, addressed to the Office of the Treasurer of the United States, Division of Securities, Washington, D. C. 20220. The letter should contain the following:

(a) Custody receipt, and in the body of the letter, show date of issue of the securities, maturity date, and face amount.

(b) Indicate ownership of securities when original purchase was made.

(c) Show Disbursing Symbol and fund symbol (i.e., Disbursing Symbol 4844 and fund symbol 14X6039) and amount to be credited.

G. Bank Deposits

(1) Time Certificates of Deposit. Tribal trust funds may be invested by Area Directors subject to conditions imposed by the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162a) in commercial banks for the purpose of earning interest. The Chief, Division of Financial Management, may invest tribal trust funds and ISSDA funds in commercial banks, under delegated authorities and the law as quoted above, for the purpose of earning interest.

(2) Banks--Designated as Depositories and Financial Agents of the Government. Part 202, Subchapter A, Chapter II of Title 31 of the Code of Federal Regulations (Treasury Department Circular 176, revised 12-1-67) provides regulations and standards which must be met before a bank can act as a depository of the Government. As a minimum requirement each bank, for which a deposit of tribal trust funds is contemplated, must be a member of the Federal Reserve or insured by the Federal Deposit Insurance Corporation. When the minimum requirements have been met by the bank as indicated above, the Treasury Department in Washington should be requested to establish an account. Please refer to Illustration 1.

(3) Negotiation with Banks Concerning Proposed Investment of Trust Funds. Banks located in the area where Indians reside may be contacted to obtain bids for proposed investment for funds involved. Please refer to Illustration 2 for the type of form which can be used to record bids of banks solicited.

(4) Agreement between the Bureau of Indian Affairs and Commercial Banks. An agreement is to be executed by and between the Bureau of Indian Affairs and commercial banks. Also, the bank should

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execute a resolution authorizing execution of the agreement and the issuance of Certificates of Deposit. Please see Illustrations 3 and 4.

H. Distribution of Interest

(1) Group Securities. Group securities are those representing investment of surplus moneys in the cash account of the Indian Service Special Disbursing Agent. All Individual Indian Money accounts subsidiary to general ledger account 206.10, Deposits-Individual Indians or Organizations (Cr) (It does not include any investments made by the Bureau for an individual or tribe.), and the balance in 206.70, ISSDA Deposit Funds-Other (Special Deposits) (Cr), participate in earnings from "so-called" group investments of surplus cash.

(a) Interest Earnings. The interest earned and received from group investments shall be recorded at Bureau level in general ledger account 206.20, Undistributed Interest-Group Earnings-Bureau Level.

(b) Distribution at Field Level. The balance in this account shall be made available to ISSDA disbursing points at the close of each interest period. The interest should be distributed to each applicable account immediately but not later than three months following the close of the interest period. (See section 3.11H(5) for computation of interest.)

(c) Interest Periods. Interest periods are from April 1 through September 30, October 1 through March 31. The interest applicable to account 206.10, Deposits-Individual Indians or Organizations (Cr), will be distributed to all subsidiary accounts meeting the minimum requirements. (See section 3.11H(4) for minimum requirements.)

The interest applicable to account 206.70, ISSDA Deposit Funds-Other (Special Deposits) (Cr), will be deposited by the appropriate agency direct to 14X8500 A/R, Indian Moneys, Proceeds of Labor. The check for account 206.70 interest will be issued by the Branch of Investments and ISSDA.

(2) Individual Securities. Individual securities are those purchased for and identified to the applicable individual account set up for an investment in bonds or in a time certificate of deposit with a commercial bank. The applicable general ledger account in these cases would be account 206.65, Deposits-Investments and Securities-Field Level (Cr), for bonds or for a bank investment. The interest earned on such individual investments will be credited to the applicable individual Indian account promptly upon receipt of a check thereof, or

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upon receipt of appropriate evidence of deposit or credit from the United States Treasury Department. These accounts will not share in investments made from group surplus cash.

(3) Computation of Interest Factor. The sum of the general ledger account balances at the end of each month included in the interest period in account 206.10, Deposits-Individual Indians or Organizations (Cr), account 206.70, ISSDA Deposit Funds-Other (Special Deposits) (Cr), together with the balance in account 206.20, Undistributed Interest-Group Earnings-Bureau Level, at the close of the interest period will be used in computing the interest rate and factor to be used in distributing the interest available. The accrued interest on all unmatured investments applicable to ISSDA accounts must be encoded as an accrual by debiting account 154.00, Other Deferred Debits, and crediting account 206.20, Undistributed Interest-Group Earnings-Bureau Level.

The sum of the balances at the end of each month included in the interest period in accounts 206.10 and 206.70 will be the divisor, and the balance in account 206.20 (derived from all group investments) at the close of the interest period as the dividend. The quotient, carried to six decimal places, will be the interest factor to be used in computing the distribution of group interest to be applied to accounts subsidiary to account 206.10. (In order to determine the actual annual rate of interest earned, multiply the factor x 12 (months) = actual interest annual percentage.) The factor as indicated is the monthly rate of interest. The factor will be furnished by the Branch of Investments and ISSDA during the month following the close of the interest period.

(4) Minimum Requirements. Distribution of interest is to be made to each Individual Indian Money account subsidiary to general ledger account 206.10, Deposits-Individual Indians or Organizations (Cr), earning interest in the amount of \$2.00 or more during the interest period.

(5) Computing Interest for Distribution to Individual Accounts. Individual accounts subsidiary to account 206.10, Deposits-Individual Indians or Organizations (Cr). The product of the sum of balances in each Individual Indian Money ledger at the end of each month included in the interest period multiplied by the interest factor will be the amount, if it meets the minimum requirements, to distribute to that account.

(a) Undistributed Interest. The amounts applicable to accounts not meeting the minimum requirements will remain in account 206.20, Undistributed Interest-Group Earnings-Bureau Level, and will

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be included with the interest distribution at the close of the next interest period or be available for application to accounts closed prior to the close of the next interest period.

(b) Minimum Balance. An account is entitled to have interest applied when the sum of the balances at the end of each month during the interest period multiplied by the factor equals \$2.00 or more. To determine the minimum balance, divide \$2.00 by the factor. (For example, if the factor were .004855 and if divided into \$2.00, the minimum balance would be \$411.95.) (Also, if the factor .004855 were multiplied by 12, the annual interest rate would be 5.826%.)

(c) Overdrafting of Undistributed Interest Account.

After the factor for the six-month interest period is received from Financial Management, each disbursing point should begin immediately to calculate interest earnings for each individual based on the factor indicated and post the interest accrual to each ledger. The interest is to be charged to account 206.23, Undistributed Interest-Field Distribution of Bureau Level Earnings. You are to "overdraft" account 206.23. When the semi-annual interest has been applied, forward copies of the journal vouchers to Bureau of Indian Affairs, Division of ~~Financial Management~~, P. O. Box 127, Albuquerque, New Mexico 87103. The interest charges will then be funded by check which when deposited will remove the "overdraft" from account 206.23.

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(6) Deposits-Other (Special Deposits). The account 206.70, ISSDA Deposit Funds-Other (Cr), will participate in the interest earned and received. The product of the sum of the balances in account 206.70 at the end of each month included in the interest period multiplied by the interest factor will be the amount of interest earned by this account. The balances will be computed by the Branch of Investments and ISSDA from the figures contained in the "General Ledger Detail List--ISSDA Funds" "printout" for the interest period involved. A United States Treasury check will be issued and forwarded to the disbursing point for deposit by the applicable Area or agency direct to the 14X8500 A/R, Indian Moneys, Proceeds of Labor account.

(7) Closed Accounts. Accounts which are closed (and are not expected to be reopened) during any interest period shall be entitled to earn interest if the interest earned is \$2.00 or more.

If an account is closed prior to the end of a month, the month-end balances to be used in computing interest shall not include any amount for the month in which the account is closed, except if closed on the last day of the month. The amount of interest to be credited to closed accounts shall be determined by the interest factor in effect during

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the previous interest period. The interest must be posted immediately prior to closing the account in order that it may be included in the final check. The interest shall be credited to account 206.10, Deposits-Individual Indians or Organizations, and account 206.23, Undistributed Interest-Field Distribution of Bureau Level Earnings.

**BIAM REISSUE  
FEBRUARY 1984**



# United States Department of the Interior

## BUREAU OF INDIAN AFFAIRS

Post Office Box 127  
Albuquerque, New Mexico 87103

REPLY REFER TO:

Investments

Mr. K. E. Marmer  
Deputy Assistant Comptroller  
(Depository Analysis)  
Bureau of Accounts  
Department of the Treasury  
Washington, D.C. 20226

Dear Mr. Marmer:

Please establish an account for the \_\_\_\_\_

\_\_\_\_\_

to maintain balances of Indian Trust Funds under the provisions of  
Treasury Circular 176. The initial deposit will be \_\_\_\_\_.

The deposits of Indian Trust Funds with the commercial bank will be made  
under authority of the Act of June 24, 1938, (52 Stat. 1037; 25 USC 162(a)).

Sincerely yours,

Chief, Division of Financial  
Management

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NEGOTIATION SHEET

Tribe: \_\_\_\_\_ Date: \_\_\_\_\_  
 Amount \$ \_\_\_\_\_ Date Available \_\_\_\_\_  
 Term \_\_\_\_\_ Maturity Date \_\_\_\_\_ Day of Week \_\_\_\_\_

1. Bank \_\_\_\_\_ Address \_\_\_\_\_  
 Name of Person Contacted \_\_\_\_\_ Title \_\_\_\_\_  
 Rate \_\_\_\_\_ Compounded \_\_\_\_\_ 360 or 365 Day Basis \_\_\_\_\_

2. Bank \_\_\_\_\_ Address \_\_\_\_\_  
 Name of Person Contacted \_\_\_\_\_ Title \_\_\_\_\_  
 Rate \_\_\_\_\_ Compounded \_\_\_\_\_ 360 or 365 Day Basis \_\_\_\_\_

3. Bank \_\_\_\_\_ Address \_\_\_\_\_  
 Name of Person Contacted \_\_\_\_\_ Title \_\_\_\_\_  
 Rate \_\_\_\_\_ Compounded \_\_\_\_\_ 360 or 365 Day Basis \_\_\_\_\_

4. Bank \_\_\_\_\_ Address \_\_\_\_\_  
 Name of Person Contacted \_\_\_\_\_ Title \_\_\_\_\_  
 Rate \_\_\_\_\_ Compounded \_\_\_\_\_ 360 or 365 Day Basis \_\_\_\_\_

5. Bank \_\_\_\_\_ Address \_\_\_\_\_  
 Name of Person Contacted \_\_\_\_\_ Title \_\_\_\_\_  
 Rate \_\_\_\_\_ Compounded \_\_\_\_\_ 360 or 365 Day Basis \_\_\_\_\_

Funds sold to \_\_\_\_\_  
 Use Fed of \_\_\_\_\_ Account of \_\_\_\_\_

BIAM REISSUE  
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A G R E E M E N T

Between

The United States of America, Department of the Interior, Bureau of  
Indian Affairs

and the

\_\_\_\_\_  
(Name of Bank)

THIS AGREEMENT is made and entered into this \_\_\_\_\_  
day of \_\_\_\_\_, by and between the Chief, Division of  
Financial Management, Bureau of Indian Affairs, Albuquerque, New Mexico  
87103, United States of America and the \_\_\_\_\_  
(Name of Bank)

WITNESSETH:

Whereas, the Act of June 24, 1938 (52 Stat. 1037; 25 U.S.C.  
162a), provides that Indian tribal and individual Indian funds held in  
trust by the United States may be deposited in banks;

NOW THEREFORE, in consideration of the mutual covenants  
herein, the parties hereto agree to the responsibilities respectively  
delineated below.

1. The Bureau of Indian Affairs:

- 1.1 may open and maintain with the Bank custodial time deposits  
in the name of Bureau of Indian Affairs for various Indian  
tribes and individual Indians as may be designated by the Chief,  
Division of Financial Management.

1.2 will negotiate for and accept therefor duly executed certificates of deposit designating the term of deposit and the rate of interest the deposited funds bear.

2. The \_\_\_\_\_ will;  
(Name of Bank)

2.1 maintain the deposits provided for under 1.1 hereof, each properly identified to indicate the respective custodial nature;

2.2 pay interest on time deposits at rates to be determined, with concurrence of the Chief, Division of Financial Management, at the time any deposit is made; furnishing certificates of deposit evidencing such payments for an agreed on period of deposit and otherwise manage the account in accordance with law and the regulations of the Federal Reserve Board;

2.3 automatically pledge the necessary collateral security as provided by the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162a).

2.4 waive all bank charges.

3. The effective dates of any specific deposit agreement shall be mutually agreed upon by the Chief, Division of Financial Management and the official representative of the Bank.

IN WITNESS THEREOF, the parties hereto have subscribed their names and affixed their seals this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

THE UNITED STATES OF AMERICA

\_\_\_\_\_  
(Name of Bank)

BY: \_\_\_\_\_  
Chief, Division of Financial  
Management

BY: \_\_\_\_\_

This is to CERTIFY, that at a meeting of the Executive Committee of the Board of Directors of \_\_\_\_\_ of \_\_\_\_\_, held on \_\_\_\_\_, the following resolutions were duly adopted:

RESOLVED, that \_\_\_\_\_, Senior Vice President, \_\_\_\_\_, Vice President and Treasurer and \_\_\_\_\_, Assistant Treasurer be and each of them is hereby authorized to execute on behalf of this Bank an Agreement between this Bank and the United States of America, Department of the Interior, Bureau of Indian Affairs providing for Indian tribal funds held in trust by the United States to be deposited with the Bank in interest bearing time deposits.

RESOLVED, that \_\_\_\_\_, Senior Vice President, \_\_\_\_\_, Vice President and Treasurer, \_\_\_\_\_, Vice President, \_\_\_\_\_, Assistant Treasurer, \_\_\_\_\_, Assistant Vice President and \_\_\_\_\_ be and each of them hereby is authorized to execute on behalf of this Bank, Certificates of Deposit and/or Time Open Contracts issued in the name of the Bureau of Indian Affairs.

\_\_\_\_\_  
Assistant Secretary

**BIAM REISSUE  
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### 3.12 Employee Surety Bonds

A. Statutory Requirements. The Act of August 9, 1955 (69 Stat. 618; 6 U.S.C. 14), requires that the Government obtain surety bonds for all employees who must be bonded by statute or administrative ruling. The government must pay the premiums on surety bonds. The Department of Interior purchases a position schedule bond for Departmental employees under Treasury Department Circular No. 969, dated November 1, 1955. This bond shows the United States as obligee and is conditioned upon the "faithful performance of the duties" of the bonded employees. An employee performs his duties faithfully, if he meets the performance standards set for the express or implied duties of his job description and of assigned additional work.

B. Functions for Which Bonded. The position schedule bond identifies and defines each covered employee category with its penal amount. This includes employees who collect, have custody for, or disburse money. Responsibility for bonded functions may be redelegated to another bonded employee. The bonded categories follow:

(1) Certifying Officers - Those designated in writing to certify vouchers for payment by Treasury Disbursing Officers or their agents under 31 U.S.C., 82(b) and (c). Penal amount of bond, \$5,000 each.

(2) Cashiers - Those nominated in writing by an authorized official and designated by the Treasury Department to receive from Disbursing Officers of the Treasury either cash advances up to \$2,500 (penal amount of bond, \$2,500 each) or up to \$5,000 (penal amount of bond, \$5,000 each) for:

- (a) Cash payments for authorized expenses up to \$100 for a transaction.
- (b) Cash payments in an emergency up to \$250 for a transaction.
- (c) Making change.
- (d) Distribution to collection officers for making change.

Cashiers, who receive advances up to \$20,000, pay in cash for authorized expenses. Penal amount of bond \$20,000 each.

In summary, the position schedule bond covers three kinds of Bureau cashiers, bonded for either \$2,500, \$5,000 or \$20,000.

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(3) Collection Officers - Those designated in writing to receive and account for funds, derived from the activities of the Bureau. Some are designated cashiers to receive cash advances for making change and for transferring cash to other collection officers for making change. A collection officer who makes change by himself or by cash transfers to others is not considered to be a cashier. Penal amount of bond, \$5,000 each.

(4) Assistant Disbursing Officers - These individuals are nominated in writing. The Chief Disbursing Officer of the Treasury Department then designates the nominees in writing as assistants to Treasury Disbursing Officers in paying properly certified vouchers. Assistant Disbursing Officers disburse funds under Treasury disbursing symbols. Penal amount of bond, \$10,000 each.

(5) Individual Indian Money Clerks - Those designated in writing with the responsibility for keeping Individual Indian Money accounts and records and for preparing Individual Indian Money checks and reports. Penal amount of bond, \$5,000 each.

(6) Student Fund Custodians - Those designated in writing to receive, deposit, disburse, and account for money and securities of Indian school pupils and pupil organizations. Penal amount of bond, \$5,000 each.

(7) Indian Service Disbursing Agents - Those designated in writing to receive, disburse, and account for funds of individual Indians and Indian tribes. Penal amount of bond, \$10,000 each.

(8) Traveler - Advance of Funds - Those, who are newly appointed or who do not have accrued retirement credit equal to the desired advance of funds, and who are designated in writing to receive advances of funds for travel or transportation. The traveler must be authorized to travel or to transport his immediate family, household goods, trailer, or personal effects. Penal amount of bond, \$2,000 each.

C. Written Notice. Each bonded employee must receive a written notice in duplicate. The notice must have a space for the employee's countersignature and must state:

- (1) That the employee is bonded.
- (2) The penal amount of the bond.

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(3) The bonded functions, described in Section 3.12B above.

D. Countersigned Copy of Bond Notice. The duplicate copy of the bond notice after countersignature must be returned for filing in the employee's official personnel folder, before the official designation or the request for designation. The bond notice and the designation may of course be combined. The return of the combined notice and designation with the countersignature then completes the bonding process.

E. Termination of Bond Coverage. The employee is notified that his bond coverage has been ended, whenever his service in a bonded position ends. The notice shows the termination date. The employee does not have to countersign the termination notice. A copy of the notice is filed in the employee's OPF.

F. Offices Responsible for Issuing Written Notices. Offices with servicing finance and personnel offices write notices of bond coverage and termination of bond coverage (see sections 3.12C and D).

(1) Servicing Personnel Offices. The staff responsibility for monitoring and preparing written notices and for coordinating with the servicing Finance Office belongs to the servicing Personnel Office for these reasons:

(a) Access to and familiarity with position descriptions of bonded positions.

(b) Immediate knowledge of hires, transfers, and terminations of employees in bonded positions.

(c) Required filing in Official Personnel Folders.

G. Designating Levels of Authority. The designation of, or the request for designation of, an employee to work in a bonded position and the notice to the employee that he is bonded are separate acts. Sometimes, however, the designation and bond notice may be combined as one document.

(1) Area Offices. Area Directors, having servicing personnel and finance offices under their jurisdiction have the authority and responsibility to designate employees within the serviced areas for the following bonded categories:

(a) Collection Officers.

(b) Individual Indian Money Clerks.

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- (c) Student Fund Custodians.
- (d) Traveler - Advance of Funds.
- (e) Certifying Officers.
- (f) Cashiers.

Area Directors of Anadarko, Billings and Minneapolis Area Offices process designations through their servicing personnel and finance offices.

(2) Division of Financial Management. The Chief, Division of Financial Management, has the authority and responsibility to designate employees in the offices served by the Field Support Finance and Personnel Offices for the following bonded categories:

- (a) Collection Officers.
- (b) Individual Indian Money Clerks.
- (c) Student Fund Custodians.
- (d) Traveler - Advance of Funds.
- (e) Certifying Officers.
- (f) Cashiers.

(3) Director of Office of Fiscal Plans and Management. The Director of the Office of Fiscal Plans and Management in the Central Office has the authority and responsibility to designate employees of the offices served by the Washington Personnel and Finance Offices for the following bonded categories:

- (a) Collection Officers.
- (b) Individual Indian Money Clerks.
- (c) Student Fund Custodians.
- (d) Traveler - Advance of Funds.
- (e) Certifying Officers.
- (f) Cashiers.

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Even though the Director delegates his authority and responsibility to either designate or request the designation of employees for any of the bonded categories, he, nevertheless, retains it, because it is a bilateral authority and responsibility. The Director of the Office of Fiscal Plans and Management has delegated his authority and responsibility to designate employees for certain bonded positions to the Chief, Division of Financial Management. The officer in charge of the Bureau's centralized accounting station is the Chief, Division of Financial Management. Requests to designate employees for certain bonded categories should be addressed to the Chief, Division of Financial Management, P.O. Box 127, Albuquerque, New Mexico 87103. These bonded categories are:

(a) Assistant Disbursing Officers. Areas submit written requests to designate Assistant Disbursing Officers to the Division of Financial Management. Each request includes:

- (i) The employee's name.
- (ii) The employee's organizational title.
- (iii) The employee's business address.
- (iv) A statement that the employee is bonded.
- (v) If a cash advance is needed, the amount proposed, and justification for the advance.

(b) Indian Service Disbursing Agents. Areas submit the designation for Indian Service Disbursing Agents in quintuplicate for signature by the Indian Service Special Disbursing Agent in Albuquerque, New Mexico, and approval by the Chief, Division of Financial Management. The transmittal letter says that the employee has been properly bonded.

After approval the Division of Financial Management distributes the designation as follows:

- (i) Original to Treasury Department with a letter of transmittal.
- (ii) First copy retained and filed in active file of Indian Service Disbursing Agents.
- (iii) Second, third, and fourth copies to requesting office for Official Personnel Folder, the employee, and the local administrative file.

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### H. Records

(1) Official Bond Record. The office that issues bond notices (see section 3.12F) keeps an active card file by bond category. The card file consists of a United States Department of Interior Bond Record (Form 1-035, Revised 12/1/55) for each bonded employee. See illustration No. 1 at the end of this chapter.

(2) Position Control Record. The office that issues bond notices also keeps an active Position Control Record for each bond category. The Position Control Record, locally produced, shows for reporting purposes:

- (a) Title of bond category.
- (b) Term of bond (beginning and ending dates).
- (c) Penal amount of the bond in its category.
- (d) Name and address of surety company.
- (e) Bond number.
- (f) Number of positions allocated for bonding under the particular category.
- (g) Current number bonded.

I. Expiration of Bond. Treasury Department Circular No. 969, dated November 1, 1955, limits the bonding period to two years. The Department purchases a position schedule bond for a two-year period. This bond expires at the close of each odd-numbered calendar year. Each reporting office sends to the Central Office by October 1 of each odd-numbered calendar year a listing of recommended positions for bonding by bond category (see section 3.12B above) for the next bond term. The listing shows the location, title and grade of each position, and penal amount of the bond.

J. New Bond Category. A Bureau official may recommend to Central Office new bond categories. The recommendation includes:

- (1) Suggested bond category title.
- (2) Suggested penal amount of bond.
- (3) Justification for the new bond category.
- (4) Number of area positions to be bonded in the new category.

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Timely submission of the recommendation permits Central Office, after review and acceptance of the recommendation, to query other areas about their needs in the new category. The other areas can then include the new category in the report (See Section 3.12I).

K. Liability on Individuals Bonded Under Two or More Categories. No employee should be bonded under two or more categories. If an area considers bonding an employee in more than one category, the primary factor in the decision to go ahead should be the presence or absence of internal controls. A loss, attributable to an employee bonded in more than one category, relates to categories in which the employee was functioning to cause the loss.

L. Reports. Treasury Department Circular No. 975 (Revised) requires each department or agency purchasing a bond under Public Law 323, 84th Congress, to report on its bond as of the close of each fiscal year on Treasury Form Nos. 747 and 748. Each office, mentioned in Section 3.12F above, reports on these forms to the Central Office by July 20 each year on its allocated bonded positions. The reports, prepared in accordance with Treasury Department Circular No. 975 (Revised), cover the preceding fiscal year. See Illustration No. 2 at the end of this section.

M. Advice Regarding the Continuation of Bond Coverage. The agency head responsible for procuring bonds under Act of August 9, 1955 (Public Law 323, 84th Con., 69 Stat. 618; 6 U.S.C. 14) and Treasury Department Circular 969, November 1, 1955 certifies for certifying officers and disbursing officers to either the Chief Disbursing Officer or to the Regional Disbursing Officer, as appropriate, each time a new bond is procured, as follows:

(1). Certifying Officer, (Treasury Circular No. 680-Revised.) The designating authority furnishes a certificate in the following blanket form:

I certify that the individuals currently designated as certifying officers have been properly bonded in accordance with Treasury Department Circular No. 969 (31 CFR 226) under bond issued by the

\_\_\_\_\_  
(Surety Company)

for the term beginning on \_\_\_\_\_, 19\_\_ and terminating on \_\_\_\_\_, 19\_\_.

\_\_\_\_\_, 19\_\_

\_\_\_\_\_  
Head of Agency or his Designee

\_\_\_\_\_  
Title

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Whenever a new bond is procured, a new certification is submitted to reach the pertinent Treasury Disbursing Office before the commencement of the new bond period.

(2) Disbursing Officer (Treasury Circular No. 145-Revised). The agency head or his designee furnishes a certificate in the following blanket form:

I hereby certify that the individuals currently designated to whom disbursing functions have been delegated in writing by the Secretary of the Treasury or the Division of Disbursement have been properly bonded in accordance with Treasury Department Circular No. 969 dated November 1, 1955, under the bond issued by \_\_\_\_\_

(Surety Company)

for the term beginning on \_\_\_\_\_, 19\_\_, and terminating on \_\_\_\_\_, 19\_\_. The funds advanced to such designated individuals have been verified and the cash accountability for such funds has been established for coverage by the Surety Company shown above.

\_\_\_\_\_, 19\_\_ \_\_\_\_\_  
(Head of the agency or his designee,

\_\_\_\_\_  
(Title)

The above certification is appropriate for either officers or employees (e.g., cashiers, Indian Service Special Disbursing Agents, Assistant Disbursing Agents, Assistant Disbursing Officer, etc.) to whom either the Secretary of the Treasury or the Division of Disbursement delegates disbursing functions.

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Form No. 1-035  
Revised 12-1-55

UNITED STATES DEPARTMENT OF THE INTERIOR  
Official Bond Record

<u>(Self Explanatory)</u> Name of Person Bonded	<u>(Not Applicable)</u> Complete Home Address
<u>(Self Explanatory)</u> Bureau or Office	<u>(Office Address)</u> Address
<u>(Not Applicable)</u> Official Position Title	<u>(Date of Bonded Notice)</u> Date of Appointment
<u>(Bond Category)</u> Bonded Position Title	<u>(Effective date of Bond Coverage)</u> Date of Designation to Bonded Position

Bond No. (not Applicable) Date (Not Applicable) 19\_\_ Bond Penalty \$(Penal Sum)

Name of Surety Company (Not Applicable)

Address (Not Applicable)

Remarks:

Department Circular No. 975 (Revised July, 1960)  
Fiscal Service  
Bureau of Accounts

Treasury Department  
Office of the Secretary  
Washington, D. C.  
July 6, 1960

TO THE HEADS OF EXECUTIVE DEPARTMENTS, INDEPENDENT  
ESTABLISHMENTS, AND OTHERS CONCERNED:

Because Treasury Form 748 has been changed to provide for reporting cumulative losses to date, unrecoverable losses, and pending losses carried over at the end of the fiscal period, Department Circular No. 975 is hereby revised to read as follows:

1. Under the provisions of section 226.16(d) of Treasury Department Circular No. 969, dated November 1, 1955 (31 CFR 226) relating to Regulations Governing the Purchase of Bonds to Cover Civilian Officers and Employees and Military Personnel in the Executive Branch of the Federal Government, the following forms for reporting information to be submitted by each agency to the Treasury Department with respect to the procurement of bonds under the Act approved August 9, 1955 (Public Law 323, 84th Congress) are hereby prescribed:

Positions Bonded, Types of Bonds and Administrative Costs Under the Act of August 9, 1955 (Treasury Form No. 747) - This report covers the number of bonds in force at the close of each fiscal year, by types of bonds, number of employees bonded, and the penal amount of the bond. Administrative costs are also reported on this form. This report is to be submitted in accordance with the instructions on the reverse of the form. (A sample form with illustrative data is attached as Exhibit A).

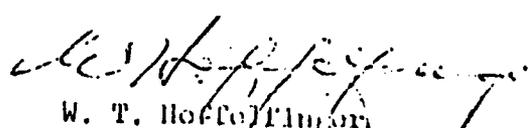
Losses, Claims and Recoveries Covered by Surety Bonds Procured Under the Act of August 9, 1955 (Treasury Form 748 (Revised)) - This report shows losses covered by bonds procured under the Act of August 9, 1955, disposition of those losses and claims filed against surety companies. This report is to be submitted in accordance with the instructions on the reverse of the form. (A sample form with illustrative data is attached as Exhibit B).

2. The reports prescribed above should be submitted in duplicate to the Surety Bonds Branch, Bureau of Accounts, U. S. Treasury Department, not later than August 15 of each year, covering the operations of each agency for the preceding fiscal year. These reports are necessary to enable the Treasury to prepare and submit to the Congress the comprehensive annual report required by the Act of August 9, 1955. Please furnish any other information which you may consider necessary or desirable to enable the Secretary of the Treasury to fully advise the Congress with respect to the results of operations under the Act of August 9, 1955.

3. Any questions concerning these reporting requirements should be referred to the Surety Bonds Branch, Bureau of Accounts, Treasury Department (Telephone Code 184 - 5284).

4. Supplies of the forms used in submitting required reports may be obtained from the Surety Bonds Branch.

Supp. 3, Release 4, 5/27/72

  
W. T. Hoff  
Fiscal Assistant Secretary

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Treasury Form No. 747

POSITIONS BONDED, TYPES OF BONDS  
AND ADMINISTRATIVE COSTS UNDER  
THE ACT OF AUGUST 9, 1955

(Name of Agency)  
Department or Agency

Covering Fiscal Year ending June 30,

(1)	Types of Bonds in Force on June 30, 19____ Procured Under Act of August 9, 1955 (a)						Aggregate Penal Sum Applicable to Bonds or Positions Covered (8)
	Position Schedule (2)	Name Schedule (3)	Blanket (4)	Individual (5)	Other (6)	Total (Col. 1-6) (7)	
A. Number of Separate Bonds	1					1	XXXX
B. Number of bonded Employees by title of Position: (b)							
1. Agent Cashiers	3					3	45,000
2. " "	1					1	12,000
3. " "	20					20	200,000
4. " "	64					64	320,000
5. Certifying Officers	214					214	1,070,000
6. Postal Clerks	72					72	360,000
7. Cashiers	65					65	325,000
8. Collection Clerks	14					14	70,000
9. Messengers	40					40	200,000
10.							
11.							
12.							
13.							
14.							
15.							
Total for each column.	493					493	2,602,000
C. Premiums Paid for Bonds in Force (c)	1,699.69						
D. Administrative Costs for Fiscal Year	Personal Services		Printing And Reproduction	Other Expenses	Total		
	Average Number Employees	Amount					
Administrative cost of procure- ment of surety bonds and related operations under Act of August 9, 1955	1/10	\$367	0	\$100	\$467		

(a) METHOD OF PROCUREMENT

	Number of Bonds	Premiums Paid	Aggregate Penal Amounts
By Advertise- ment	1	\$1,699.69	\$2,602,000
Without Ad- vertisement	X	\$ X	\$ X

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

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(b) Classify by titles of positions under each type of bond,  
except blanket.

(c) Term covered by bonds 2 year(s)

## INSTRUCTIONS

**Section A - Number of Bonds.** List in the proper columns the number of bonds in force, by types.

**Section B - Column 1.** List separately by titles of positions, such as certifying officers, imprest fund cashiers, etc., covered by bonds in force, except blanket bonds. Use additional sheets if necessary. In the case of blanket bonds, enter on one line the caption "All Employees." If a blanket bond provides for an additional indemnity for certain positions, enter each class of position separately and an additional line for "all other employees." Distribute the number of employees by types of bonds in proper column.

**Section C -** Enter the total premiums paid (regardless of the fiscal year in which paid) for each type of bond in force at the close of the Fiscal Year. Show in footnote the period covered or the terms of bonds. If the bonds in force are not all of equal terms, show separately, as a footnote, the premium for each term involved.

**Column 8 -** Enter the aggregate penal sum for each title of position or penal sum applicable to a blanket bond. In case the penal sum varies for positions, show each amount separately, together with the number of positions involved.

**Section D -** Related operations include any activities incident to the bonding of employees by an agency such as examination, processing, record keeping and follow-up of bonds. Under "Other Expenses" do not include cost of premiums on bonds.

Additional instructions appear in Treasury Circular No. 975 (Revised June 18, 1957).

Treasury Form 748 (Revised July, 1960)

LOSSES, CLAIMS, AND RECOVERIES COVERED BY SURETY  
BONDS PROCURED UNDER THE ACT OF AUGUST 9, 1955

Department or Agency	Covering Period January 1, 1956 - June 30, 19			
	Cumulative Totals Beginning of Current F. Y. (1)	Transactions Current Fiscal Year		Cumulative Totals Close of Current F. Y. (4)
		Relating to losses reported in prior years (2)	Relating to current year losses (3)	
1. Losses incurred:				
a. Recoverable from sureties:				
(1) Claims filed .....	\$ 10,000	\$ 20,000	\$ 5,000	\$ 30,000
(2) Claims not yet filed .....	20,000	-20,000	5,000	5,000
(3) Total .....	30,000	-0-	5,000	35,000
b. Recoverable from others .....	13,000		7,000	20,000
c. Total losses incurred .....	43,000	-0-	12,000	55,000
2. Recoveries:				
a. Relating to losses recoverable from sureties (1a):				
(1) Recovered from sureties .....	4,000	3,000		7,000
(2) Recovered from others .....	1,000	100		1,100
(3) Total .....	5,000	3,100		8,100
b. Relating to losses recoverable from others (1b) .....	1,000	2,500		3,500
c. Total recoveries .....	6,000	5,600		11,600
3. Write-offs:				
a. Applicable to surety companies ..				
b. Applicable to other than surety companies .....	2,000	2,500		4,500
c. Total Write-offs .....	2,000	2,500		4,500
4. Receivables:				
a. From sureties: 1a(3) less 2a(3), 3a	25,000	-3,100	5,000	26,900
b. From other: 1b less 2b, 3b .....	10,000	-5,000	7,000	12,000
c. Total receivables: 1c less 2c, 3c.	35,000	-8,100	12,000	38,900
5. Analysis of total losses incurred during the current year by indivi- dual loss; No. of employees, type of position, and bond coverage: (Use continuation sheet if necessary)				
<u>No.</u>	<u>Position</u>	<u>Amount of Bond</u>		
1	D. O.	4,000	5,000	
1	Clerk	1,000	7,000	
			12,000	

## INSTRUCTIONS

This form is designed to show information concerning fidelity losses incurred by the United States applicable to employees bonded under the Act of August 9, 1955. The term "Fidelity Losses", as used herein covers any losses sustained by the United States as a result of the failure of officers, employees, or military personnel, to effect the faithful performance of their duties, including proper accounting for all funds or property received by reason of their position or employment and all duties and responsibilities imposed upon them by law or regulations issued pursuant to law.

In executing this form it should be kept in mind that it pertains only to the Act of August 9, 1955; that losses pertaining to other acts should be excluded; that losses not involving fidelity of employees should be excluded; that losses, pertaining to the Act, recovered by another agency such as the G. A. O. should be entered as recoveries; that recoveries containing an element of interest, should be entered only as to the amount of loss while the interest may be footnoted.

This form is based upon the equation: Losses incurred (item 1c) minus Recoveries (item 2c) and Write-offs (item 3c) equal Receivables (item 4c).

Col. (1) Enter items 1c, 2c, 3c, and 4c as of the close of the preceding fiscal year, distributing the amounts entered under each preceding subheading as applicable; enter in item 1b only losses in excess of bond coverage since other losses, even if eventually recovered from "others", are recoverable from sureties.

Col. (2) This column is provided to make any adjustments in reports of prior years and to show transactions relating to prior years occurring in the current fiscal year by entering the applicable transactions as plus or minus items. For example: A recovery of an amount reported as pending, or receivable, at the end of the prior year, should be entered as minus 4a plus 2a(1), if the recovery is made from a surety. A loss reported as recoverable from surety receivable, if discovered to be not a loss but cash misplaced and later found, should be entered as minus 4a, minus 1a.

Col. (3) Enter items 1c, 2c, 3c, and 4c, pertaining to losses discovered during the current fiscal year and additional amounts determined to apply to losses reported in prior years (an increase in amount of a loss reported in a prior year should be construed to be a loss discovered, in the current fiscal year, in the amount of the increase). Distribute the amounts entered among the preceding subheadings as applicable.

Col. (4) This column is a cumulative total of losses and their disposition, including the current year, and should cross-total: Col. (1), plus or minus Col. (2) plus Col. (3) equals Col. (4) ..... Item 1c minus items 2c and 3c equals item 4c

Item 5 Enter in Col. (3) a breakdown of item 1c Col. (3) by each loss discovered during the current fiscal year.

Submit to: Surety Bonds Branch  
Treasury Department

Treasury Circular No. 975 (Revised July, 1960)

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### 3.13 Designated Agents

A. Authority. Treasury Circular No. 143 Revised, authorizes Standard Form 1195, Recommendation and Designation of Agent to Receive and Deliver Checks and Savings Bonds (Illustration 1).

B. Designating Agents. Area directors, superintendents, and anyone responsible for distributing checks and bonds may recommend that a disbursing officer designate an agent to do so. The designated agent acts as the agent of the disbursing officer to receive and distribute checks and bonds. Standard Form 1195 contains two sections. Section 1 is the recommendation for designation as a designated agent; Section 2 is the approval or revocation of designation as a designated agent.

C. Uses of Standard Form 1195. A recommending officer uses Section 1 of Standard Form 1195 for the following:

(1) To recommend that an employee be designated as designated agent to receive and distribute checks and bonds.

(2) To recommend that anyone occupying a named position be designated as designated agent to receive and distribute checks and bonds.

(3) To request that the designation of an employee as designated agent be revoked.

(4) To recommend that designation of anyone with a specified position title as designated agent be revoked.

A disbursing officer uses Section 2 of Standard Form 1195 to approve any of the above recommendations, which appear in Section 1, signed by the recommending officer.

D. Points for Special Attention. A recommending officer, in recommending someone for designation as designated agent, must pay special attention to the following points:

(1) The named employee or the employee in the named position cannot be an authorized certifying officer.

(2) The named employee or the employee in the named position is not connected with preparing salary payrolls or savings bond issuance schedules.

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(3) The name and address of the employee or position title goes in Section 1, Standard Form 1195.

(4) The signature (where required) of either the named employee or the employee in the named position goes in Section 1, Standard Form 1195.

(5) Instructions for the designated agent appear on the back of Standard Form 1195.

(6) The position recommended for designated agent is no lower than the head of a section.

(7) A designated agent does not have to sign a receipt for the checks and bonds forwarded to him, as long as he is employed in the administrative office or until the delegation is revoked.

(8) A designated agent must have adequate safe-keeping facilities supplied by his agency.

(9) Either Area finance staff, when visiting agencies, or administrative managers, following Area instructions, will make internal audits or other periodic review to assure that agents practice the basic requirements on the reverse of Standard Form 1195. The Area Director should promptly inform the accountable disbursing officer of any irregularity.

E. Preparation and Distribution of SF 1195. The recommending officer completes Section 1. He uses a new form for either revocation or change in title of a designated position. He also uses a new form for a change in incumbent of a designated position, if the incumbent personally picks up or authorizes the pick-up of salary checks and bonds at the disbursing office.

Distribution follows:

Original - To disbursing office. Disbursing Officer  
1 Copy completes Part II and returns administrative  
1 Copy office copy and signed and dated copy for the  
named person or incumbent of the designated  
position to the Disbursements Section, Division  
of Financial Management. Disbursements Section  
sends copy of accomplished designation to  
administrative office.

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- 1 Copy     Administrative office sends information copy of submission to disbursing office to Disbursements Section, Division of Financial Management, P. O. Box 2026, Albuquerque, New Mexico 87103.
- 1 Copy     Retained record of submission to disbursing office for files of recommending officer.

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Standard Form 1195  
TREASURY DEPARTMENT  
Bureau of Accounts  
Division of Disbursement  
Circular No. 143 (Revised)

**RECOMMENDATION AND DESIGNATION OF AGENT  
TO RECEIVE AND DELIVER CHECKS  
AND SAVINGS BONDS**

**SECTION I (to be completed by agency)**

NAME AND LOCATION OF DISBURSING OFFICER \_\_\_\_\_

\_\_\_\_\_  
(Date)

NAME OF INDIVIDUAL OR POSITION TITLE \_\_\_\_\_

AGENCY \_\_\_\_\_

ADDRESS \_\_\_\_\_

It is recommended that \_\_\_\_\_

\_\_\_\_\_  
(Position Title or Name if to Individual)

be designated as Designated Agent for the below named disbursing officer to receive and distribute

\_\_\_\_\_  
(Indicate whether Checks (and type of check) and/or Savings Bonds)

The individual named or occupying the position named is not an authorized certifying officer and is not connected with the preparation of salary payrolls or savings bond issuance schedules. The position recommended above for designated agent is at a level no lower than the head of a section.

The name and address of the individual or position title, and the signature (where required) of the individual named or occupying the position are shown below.

\_\_\_\_\_  
(Name and Address of Agent)

\_\_\_\_\_  
(Signature of Recommending Officer)

\_\_\_\_\_  
(Name of Position Title)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature of Individual Designated by  
Name or of Incumbent of Designated  
Position, If Required)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Individual or Position to be  
Revoked, If Any)

**SECTION II (to be completed by disbursing officer)**

In accordance with provisions of 5 U.S.C. 124-132, Note (1964 Ed.), authority is hereby delegated to the above-named employee or position title to act as agent of the disbursing officer for the purpose of receiving and distributing such checks and/or United States savings bonds as are indicated above. The Designated Agent will be guided by the instructions printed on the reverse hereof and such other instructions as may be directed to him from time to time. The checks and bonds will be forwarded without requirement of receipt, so long as the Designated Agent is employed in the administrative office or until the delegation is revoked.

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DESIGNATION FOR \_\_\_\_\_

\_\_\_\_\_  
(Name of Agent or Position)

APPROVED \_\_\_\_\_

\_\_\_\_\_  
(Date of Action)

DESIGNATION FOR \_\_\_\_\_

\_\_\_\_\_  
(Name of Agent or Position)

REVOKED \_\_\_\_\_

\_\_\_\_\_  
(Date of Action)

\_\_\_\_\_  
(Signature of Disbursing Officer)

## Instructions to Designated Agent

1. Under this delegation, checks and bonds will be forwarded to you for distribution in accordance with the following instructions:
  - (a) The position title or name of the employee who has been designated with his title (Designated Agent) must be prominently typed on the payroll and/or bond issuance schedules.
  - (b) Checks and/or bonds shall not be delivered to payees prior to the issuance date appearing thereon; however, they may be mailed to the payees entitled thereto prior to the issuance date, if it is determined that delivery will not be made before that date.
  - (c) Generally, checks and bonds shall be delivered personally by you or by responsible personnel of your agency to individual employees. However, upon specific written request of an employee and administrative approval, such checks and bonds may be mailed to the employee's home address. Checks may also be mailed to an employee's bank upon written request and administrative approval. Checks and bonds for employees of an office located outside the immediate area of your office may be mailed in bulk by you as the Designated Agent to a responsible employee of that office for personal delivery to individual employees. In case of emergency or where an employee is absent on leave, telephonic or telegraphic request for the mailing may be honored upon request signed by the employee's supervisor.
  - (d) The insertion of an address on the face of a check or bond forwarded to you for delivery, or the correction of any data shown thereon is not authorized.
  - (e) When a check inscribed without an address is to be mailed or a check is to be mailed to an address other than that inscribed thereon, a check size insert bearing the payee's name and address should be prepared. The insert should be enclosed with the check in such manner that the name and address will appear in the window of the envelope. A duplicate of this insert or other suitable record must be maintained to show that the check has been mailed. When a bond is to be mailed to an owner, a bond mailing envelope with window should be used. When a bond is to be mailed to a person other than the owner, an insert showing the name and address should be placed in front of the bond. You should make a record of all bonds mailed, preferably through appropriate notations on the subscriber lists or issuance schedules. In mailing checks and bonds, Division of Disbursement check and bond envelopes, which can be obtained from the issuing disbursing office, must be used. It is permissible to mail checks and bonds in a bond envelope; however, where checks alone are to be mailed, they should be mailed in a check envelope.
  - (f) No check or bond shall be delivered personally or by mail to an employee leaving the service until it has been determined that he is entitled to the full proceeds thereof. If it develops that an employee is not entitled to the entire proceeds of a check or bond or if any part of the information appearing thereon is erroneous, it will be returned to the issuing disbursing office with a notation to that effect.
  - (g) Checks and bonds which should not or cannot be delivered either by you or by employees to whom you send or release them for distribution to the individual payees will be returned to the issuing disbursing office within 5 days after receipt, except that when employees are on leave, they may be held for 30 days. All checks and bonds shall be kept in a combination lock safe or locked fireproofed cabinet pending distribution or return to the issuing disbursing office. Checks and bonds returned to the disbursing office will be accompanied by a statement giving the reason for their return.
  - (h) Checks representing travel advances or reimbursements to employees may be mailed to addresses designated by them in writing.
  - (i) Checks representing payments of withheld taxes to federal, state, county or municipal governments may be mailed to such organizations by the designated agents.
2. If checks listed under (h) and (i) cannot be delivered, such checks will be returned to the issuing disbursing office within 10 days after receipt.
3. If you call at the disbursing office for checks and bonds or send your messenger for them, signature acknowledgement of receipt will be required. Should you send your messenger, it will be necessary that your written request for delivery to him containing his signature be filed with the disbursing office. The Division of Disbursement will not ordinarily require that you acknowledge receipt of checks and bonds mailed to you for distribution.

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3.14 Electronic Funds Transfer Deposits.

A. Scope.

This chapter prescribes the procedures to be observed by all Bureau of Indian Affairs areas, agencies, and offices concerned with deposits for credit to the Account of the U.S. Treasury through the Treasury Electronic Funds Transfer System (EFTS). Policies governing the procedures included in this chapter are found in Treasury Department Circular No. 1083, which is appended to I TFRM Part 4, Chapter 1000, and I TFRM Part 5, Chapter 4500.

B. Applicability.

The transfer of deposits by Electronic Funds Transfer System to the U.S. Treasury will be effected only in those cases involving Indian tribal trust funds which the Bureau has the responsibility for collecting and depositing.

C. Definitions.

(1) Bureau. This term means the Bureau of Indian Affairs.

(2) Federal Reserve Bank. This term refers to District and Branch banks of the Federal Reserve System.

(3) FRCS Bank. This term refers to a bank which maintains an account at a Federal Reserve bank and which utilizes the Federal Reserve Communication System. (FRCS).

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(4) Depositor. This term refers to an individual who draws or issues an order of payment to the Bureau of Indian Affairs.

(5) Deposit Ticket. This term refers to the SF-215 "Deposit Ticket" issued by the Department of Treasury.

(6) Agency Location Code (ALC). This term refers to a numeric symbol used to identify accounting reports and documents prepared by or for the Bureau's accounting stations (e.g., eight-digit agency accounting station code, 14200699).

D. Background and Concepts.

The Treasury Electronic Funds Transfer System (EFTS) involves the installation of a computer-to-computer link between the Department of the Treasury and the Federal Reserve Bank of New York utilizing medium-speed communication lines. This system provides the capability for: (1) automated receipt of fund transfers and (2) computer assisted generation of fund transfers between the Treasury, Federal Reserve banks, member banks and others utilizing the Federal Reserve Communication (FRCS). The EFTS also integrates such traffic into the Treasury's Government Wide Accounting System which controls all Federal receipts and outlays. The Treasury maintains an account at the Federal Reserve Bank of New York (FRBNY). As a result, member banks may send fund transfers to the Treasury through the FRCS for credit to the Account of the U.S. Treasury at the FRBNY. Likewise, member banks may receive fund transfers from the Department of the Treasury charging the Account of the U.S. Treasury at the FRBNY. Fund transfers between the Treasury and banks not utilizing the FRCS, are handled through correspondent banks.

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E. Minimum EFTS Deposit.

A minimum deposit of \$25,000 must be made in order to use the the Electronic Funds Transfer System.

F. Advice to Depositors.

All Bureau of Indian Affairs areas, agencies, and offices using EFTS must provide their depositors with the following information:

(1) Name of the receiving FRCS organization (U.S. Treasury Department);

(2) Treasury's EFTS routing number and check digit (0210-3000-4);

(3) Treasury's EFTS telegraphic abbreviation followed by a slash and the Bureau of Indian Affairs' ALC in parentheses after the slash [TREAS NYC/(14200699)].

NOTE: The digits following the slash and enclosed in parentheses ( ) are of vital importance to the Treasury EFTS. If these digits are not furnished, special exception procedures must be initiated by the Department of the Treasury to input the correct ALC. Banks that initiate fund transfers to the Department of the Treasury should ensure that this information is provided. Fund transfers received that do not contain a correct ALC may require the processing of an EFTS service message to the sending bank in order to ascertain this information.

(4) Name of the Government agency which is to receive the funds (Bureau of Indian Affairs; and name of the Indian tribe owning the funds).

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(5) All other identifying information to enable the Bureau of Indian Affairs to identify the deposit. The following identifying information must be provided:

(a) The Bill for Collection number from form DI-1040 if the amount due is prebilled and entered into the Bureau's accounting system.

(b) Complete Bureau Accounting information.

(c) Lease, permit, or other identifying number that identifies the reason for the funds transfer.

(d) Name of Depositor.

Illustration 3 is an example of an notification letter to be sent to depositors. The attached Form 5-4251 Information Sheet for Electronic Fund Transfer Deposits is to be prepared as shown in Illustration 4 by the servicing BIA agency and submitted to the Branch of Finance and Accounting, Box 127, Albuquerque, NM 87103.

G. Advice to Bank That Initiates the EFT.

Depositors may use the bank of their choice for EFTS deposits. Requests will normally be made to banks' "Fedwire" departments. Non-FRCS banks must use correspondent FRCS banks when making an EFTS deposit. The non-FRCS bank must provide the necessary information for the deposit to the FRCS bank. All depositors requesting an EFTS deposit must communicate the above information to the bank which is to initiate the fund transfer. The following example illustrates the required format for this information:

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U.S. Treasury Department  
0210-3000-4  
TREAS NYC/(14200699)  
Bureau of Indian Affairs - (name of Tribe owning  
funds.)

The identifying information required in F(5)  
above. There is a maximum limitation of 200  
positions for this data.

Note: The identifying information required in  
F(5) above is of vital importance to the Bureau in  
properly accounting for EFT deposits. Make sure the  
depositor understands that the information must be  
provided to the Bank which is to initiate the fund  
transfer.

Policies and procedures related to depositors'  
requests to transmit funds via the EFTS are determined by  
the bank initiating the transfer, i.e., timing, payment  
requirements, etc. FRCS banks are subject to the policies  
and procedures of Federal Reserve banks. Non-FRCS banks  
must use correspondent FRCS banks for fund transfer  
activity.

H. Advice to Administering BIA Agency or Office.

The depositor is responsible for notifying the  
BIA agency or office administering the lease, permit or  
other rights conveyance which is the reason for the EFTS  
deposit that a deposit is being made. The notification  
should be in writing. The written notification may be on  
the top portion of Form DI 1040, Bill for Collection  
(clearly marked as an "EFT Deposit" and with the date of  
deposit) or some other form of written notification. The  
administering BIA agency or office will be responsible for  
verifying the deposit by reviewing the monthly journal of  
transactions, daily input register or monthly accounts  
receivable report.

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I. Treasury Notification of Deposits.

Each business day as funds transfer messages are received by Treasury from FRCS banks, the messages will be accumulated at the level of the Agency Location Code and a Daily Support Listing of EFT Deposits will be produced which will show all data items for each message received on that day. The daily listing will also show a consolidated total amount representing the total funds transfers received for the Bureau on that day. The total amount shown on the daily listing will support an SF 215 prepared by Treasury. The daily listing and the confirmed SF 215 will be forwarded to the Bureau of Indian Affairs, Branch of Finance and Accounting, Albuquerque, NM where the collections will be entered into the Bureau's accounting system. The entries will appear on the Area daily transaction register. The SF 215 and the daily listing are shown in Illustrations 1 and 2 to this Part.

J. Agency Inquires.

Inquiries concerning EFT deposits will be directed to the Branch of Finance and Accounting, Box 127, Albuquerque, NM 87101, Telephone 505-766-3496, FTS 474-3496.

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SF 215 C

STANDARD FORM 215 (11-75) PRESCRIBED BY DEPT. OF TREASURY 1 FORM 5-8000		DEPOSIT TICKET			DEPARTMENT OF THE TREASURY BUREAU OF GOVERNMENT FINANCIAL OPERATIONS	
DEPOSIT NUMBER (1)	DATE DEPOSITED OR DULY TO DATE M O D D Y Y	DEPOSIT AGENCY ACCOUNTING STATION CODE OR AGENCY DEPARTMENT OFFICE SYMBOL	AMOUNT	DATE CONFIRMED M O D D Y Y		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
16) AGENCY USE						
17) NAME AND ADDRESS OF DEPOSITARY			18) DEPOSITORS TITLE, DEPARTMENT OR AGENCY AND ADDRESS		19) DEPOSITARY USE ONLY	
<small>14) I CERTIFY THAT THE ABOVE AMOUNT HAS BEEN RECEIVED FOR CREDIT TO THE ACCOUNT OF THE DE TREASURY ON THE DATE SHOWN. SUBJECT TO ADJUSTMENT OF PROBABLY PAID ITEMS INCLUDING INTEREST.</small>						

- Original                      Depository forward this document with statement or transcript of the U.S. Treasury account of the same date.
- Memorandum                Depositor submit this copy with your monthly report to the Department of the Treasury.
- Depository                   Depository retain this copy.
- Confirmed                    Depository date, sign, and return this CONFIRMED COPY to depositor.

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Daily Support Listing of EFT Deposits

MSG TIME	-----	MESSAGE TEXT	-----	AMOUNT
05-26-76 AT 21:41		DAILY SUPPORT LISTING OF EFT DEPOSITS AS OF 05-26-76 / 76147		PAGE 1
	AIC 88000001	CHIEF, ADM FINANCE SECTION GENERAL PROPOSAL ADMINISTRATION P.O. BOX 2909 WASHINGTON D.C. 20894		
0023 20:14	TO 021030004	TYPE 10	SPEC HANDLE	
	FROM 073000820	REF 9501		
	SEND NATL D MOINES			\$ 75,341.25
	RECV TREAS NYC/(88000001) GPA WASH DC			
	CONT CREDIT FOR AUDIT SERVICES APRIL 1976			
	IMA 05262001 BCB01 9501*	MFN 009501		
	OME *05262001 BHB11 9501	MSI AA		
0024 20:18	TO 021030004	TYPE 12	SPEC HANDLE IMD ADV	
	FROM 021039500	REF 9502		
	SEND FNMA NYC			\$ 354,313.72
	RECV TREAS NYC/(88000001) GPA WASH DC			
	CONT PAYMENT FOR MANAGEMENT STUDIES			
	IMA 05262002 BCB01 9502*	MFN 009502		
	OME *05262002 BHB11 9502	MSI AA		
0025 20:25	TO 021030004	TYPE 10	SPEC HANDLE	
	FROM 011000015	REF 9503		
	SEND FRB BOS			\$ 89,718.31
	RECV TREAS NYC/(88000001) GPA WASH DC			
	CONT PAYMENT FOR POLLUTION STUDY			
	IMA 05262003 BCB01 9503*	MFN 009503		
	OME *05262003 BHB11 9503	MSI AA		
*** DAILY TOTAL**	CONFIRMED DATE 05-26-76	DE-OSIT TICKET NUMBER 100008		\$ 519,373.28

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SAMPLE NOTIFICATION LETTER TO DEPOSITORS

Dear (name of Depositor):

The Bureau of Indian Affairs is in the process of improving the cash management aspects of Indian trust funds. You currently are issuing checks for leases or contracts that you have with the (name) Tribe.

We are requesting that you make deposits through the Electronic Funds Transfer (EFT) system rather than issuing a check. The wire transfer will be via the Federal Reserve Communications System. The following information must be furnished to your bank in its entirety in the format below:

U. S. Treasury Department

/ 021030004

TREAS NYC/(14200699)

BIA--(name of Tribe owning funds)

(Show Bill for Collection number, BIA accounting information, lease number, permit number, other identification)

(Show depositor's Name)

The funds will be transferred by the bank of your choice to the Federal Reserve Bank of New York for the account of the United States Treasury.

All other documentation will be submitted to the (name) Agency as usual. The only change will be that the funds will be transferred by EFT rather than by writing a check.

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Please call the (name) Agency before making the deposit and give the date and amount of the deposit. This will enable the Agency to coordinate the immediate investment of the funds. Call (name of Agency contract) (telephone number).

If you have any questions regarding this matter, please feel free to call.

Sincerely yours,

Superintendent

UNITED STATES DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs

INFORMATION SHEET FOR ELECTRONIC FUND TRANSFER DEPOSITS

Name of Tribe owning funds:

Sycamore

Servicing BIA Agency:

Osage

Name and Address of Firm Making Deposit:

ABC Company  
1433 Eastdale Ave.  
Podunk, Ok. (Zip)

Phone No. of Depositor:

918-362-8427

Brief Description of Reason for Deposit:

ABC has an oil and gas lease with the Sycamore Tribe.

Identification of Deposit (Lease No., Contract No., etc.):

Lease No. 873425 issued 7-11-78.

Complete Accounting Information:

G04/930/x/7386/9743

Frequency of Deposit (Monthly, Quarterly, Annually):

Monthly About the 25th of each month.

Investment Instructions:

Invest each deposit for 12 months unless advised otherwise by Tribe through Area Investment Coordinator.

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### 3.16 Cost Recovery Procedures

A. Purpose. The purpose of this manual supplement is to prescribe the policy, procedures, forms and responsibilities relating to the recovery of costs associated with audit disallowances as sustained by cognizant contracting officers, grant officers, and adjudication forums; e.g., boards of contract appeals, offices of hearings and appeals, and courts of claims.

B. Procedures. This manual supplement establishes the administrative tool to be used to document the Bureau's efforts to recover all amounts determined to be due and owing the Bureau of Indian Affairs as a result of the final resolution of cost exceptions first delineated in audits conducted by the Office of the Inspector General or private sector public accountants under the authorities found in Office of Management and Budget (OMB) Circular A-102, "Uniform Administrative Requirements for Grants-in-Aide to State and Local Governments," Attachment P, "Audit Requirements," and/or OMB Circular A-128, "Audit Requirements for State and Local Governments."

(1) The "Claims Collection Litigation Report (CCLR)," the administrative tool described for use within this manual supplement, in conjunction with the policy and procedures as established herein, is required whenever the Bureau is contemplating action beyond the audit resolution phase including its use in instances where the recommendation of the cognizant office is:

- (a) To pursue a cost recovery in Federal court;
- (b) To accept an offer to compromise costs, and/or;
- (c) Where the recommendation would terminate the Bureau's collection action on a claim and the debt would be scheduled for write off.

(2) Each Bureau of Indian Affairs employee authorized to deal with the cost exceptions of audits where the Bureau is attempting to recover such costs, is required to execute the policies and procedures as outlined in this manual supplement.

C. Regulatory Compliance. The contents of this manual supplement is in conformity and compliance with 4 CFR 101-105, Federal Claims Collection Standards, as promulgated by the Department of Justice and the General Accounting Office, and is consistent with 43 CFR Part 12, Audit Requirements for State and Local Governments, as published in the Federal Register, Vol. 50, No. 117, June 18, 1985.

D. Definitions. The following terms and definitions apply to the application of the requirements of this manual supplement.

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(1) Accounting Officer. An individual who is responsible for the finance and accounting functions of a particular Area Office and/or Field Finance Unit; also referred to as the Area Finance Officer.

(2) Assistant Secretary - Indian Affairs. Means the Assistant Secretary - Indian Affairs who discharges the authority and responsibility of the Secretary for activities pertaining to Indians and Indian Affairs; except that, the term may mean the Deputy to the Assistant Secretary/Director Indian Affairs (Indian Education Programs) when a particular part or section is referencing education programs.

(3) Bureau. Always refers to the Bureau of Indian Affairs in the context of this manual supplement.

(4) Claim. Means an amount of money or property which has been determined by an appropriate Bureau official to be owed to the United States from any organization or other entity except another Federal agency. The term may be used synonymously and interchangeably with the term "debt" as described in Section 3.16D(6).

(5) Cognizant agency. In the context of this manual supplement the term is used to identify the office and/or offices assigned to carry out the responsibilities of implementing the cost recovery policies and procedures as outlined herein. Dependent upon the assignment of responsibilities the cognizant office may be an area office, an agency office, a field finance office or another organizational entity.

(6) Debt. An amount of money or property which as been determined by an appropriate Bureau official to be owed to the United States. The term may be used synonymously and interchangeably with the term "claim" as described in Section 3.16D(4).

(7) Disallowed costs. Means those charges reimbursed to a contractor/grantee which the Bureau or its representative later determines, in writing, to be unallowable due to inconsistencies in the application of acceptable cost principles by the contractor/grantee, where the cost claimed and reimbursed is later found to have been contrary to law and/or regulations.

(8) Federal financial assistance. Means assistance provided by the Bureau in the form of grants, contracts, cooperative agreements, property, or direct appropriations, but does not include Federal cash assistance to individuals. It includes awards received directly from Federal agencies or indirectly through other units of State or local governments.

(9) Independent auditor. Means:

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(a) A State or local government auditor who meets the independent standards specified in generally accepted government auditing standards, or;

(b) A public accountant who meets such independent standards.

(10) Internal controls. Means the plan of organization and methods and procedures adopted by management to ensure that:

(a) Resource use is consistent with laws, regulations, and policies;

(b) Resources are safeguarded against waste, loss and misuse, and;

(c) Reliable data are obtained, maintained and fairly disclosed in reports.

(11) Indian corporation. Means a legally established organization of Indians chartered under State or Federal law and which is not included within the definition of "tribal organization" as given in Section 3.16D(19).

(12) Indian tribe. Means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporations (as defined in, or established under the Alaskan Native Claims Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(13) Local government. Means any unit of local government within a State including a country, a borough, municipality, a city, town, township, parish, local public authority, special district, intrastate district, council of governments, and any other instrumentality of local government.

(14) Public accountants. Means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

(15) Secretary. Means the Secretary of the Interior.

(16) State. Means any State of the United States of America.

(17) Tribal Chairman. Means tribal chairman, governor, chief or other person recognized by the tribal government as its chief executive officer.

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(18) Tribal government, tribal governing body and tribal council. Means the recognized governing body of an Indian tribe.

(19) Tribal organization. Means the recognized governing body of any Indian tribe, or any legally established organization of Indians or tribes which is controlled, sanctioned, or chartered by such governing body or bodies or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities.

(20) Waiver. Means that action taken by the Assistant Secretary - Indian Affairs which sets aside all, and/or any part of, Federal contracting laws, executive orders, regulations, rules and other administrative requirements which the Assistant Secretary determines were not appropriate for the contract and which contributed materially to the audit disallowance.

E. Policy. It is the policy of the Bureau of Indian Affairs to actively pursue amounts due the United States as a result of audit disallowances as documented by Contract/Grants Officers' Determinations and Findings on such audit reports, and as may be further documented by the findings of the Department of the Interior's Board of Contract Appeals and/or Office of Hearings and Appeals as a result of each respective forum's adjudication of appeals as filed by contractor(s)/grantee(s). Pursuit of adjudicated claims, and/or claims based solely on a Determinations and Findings where the contractors/grantees have abrogated their appeal rights and have not used an adjudication forum, will be initiated by the Bureau through the claims collection litigation process.

(1) The Bureau, to the greatest extent possible and only as may be granted by existing authorities outlined in the organic document of a tribe, tribal organization and/or Alaska Native Corporation, will review the annual operating budgets of the Indian tribal governments and Alaska Native Corporations with outstanding bills due the United States as a result of audit disallowances. This review is to ensure that annual budget submittals address all known organizational liabilities in the budget formulation process. Unadjudicated appeals by contractor/grantees of a Contracting/Grant Officer's Determinations and Findings to a cognizant appeals forum need not be included as liabilities in the projected operating budgets.

(2) When the Bureau determines, through the review process, that an Indian tribal government, tribal organization and/or Alaska Native Corporation has knowingly failed to report organizational liabilities when submitting projected operating budgets to the Bureau for approval shall have those budgets disapproved.

(a) All authorities to expend funds under the projected

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operating budget shall be withheld until all organizational liabilities are known and adequately addressed.

(b) Bureau line officers shall consider the organization's plans to liquidate debts within a reasonable time frame and that liquidation plans are viable given the organization's assets and income over the budget period projected.

(c) The schedules and methods of repayments by the organization to the United States through the Bureau of Indian Affairs and/or other Federal agencies shall be addressed.

(3) When the Bureau reviews a plan requiring approval of the Secretary which will result in the disbursement of assets held in Trust for an Indian tribal government and/or Alaska Native Corporation, the plan will not be considered for approval unless and until all debt liquidation issues of the submitting organizations are addressed.

(4) Each Bureau line officer charged with the responsibility of reviewing such plans and recommending action to the Assistant Secretary - Indian Affairs shall, using active language, disapprove plans that are submitted without debt liquidation provisions and remand them to the Indian tribal government and/or Alaska Native Corporation for appropriate revision.

(5) Upon approval of a distribution plan by the Secretary, the Bureau will withhold the approved amount of money scheduled to be utilized to liquidate the claims of the United States and return that amount withheld to the U.S. Department of Treasury while liquidating the appropriate receivable document(s), or portions thereof, which established the United States' claim.

F. Responsibilities of Bureau Officials. Each organizational level within the Bureau has a part in the resolution of claims by the United States against Indian tribal governments, tribal organizations and Alaska Native Corporations. The following sections outline the responsibility of each level involved in the cost recoveries issue to ensure proper, prompt and complete processing of initial claims, documentation of the Bureau's attempts to collect the claims and the implementation of this claims collection litigation process. Additionally, the section identifies the information that each level of the organization is responsible to provide.

(1) Assistant Secretary - Indian Affairs. This official is responsible for the development and implementation of the overall policies, procedures and strategies associated with the Bureau's collection of claims arising out of the audits of tribal governments', authorized tribal organizations' and Alaska Native Corporations' operation of Bureau programs through

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contracts and cooperative agreements and for the operation of certain governmental functions which have been granted to tribes, tribal organizations and Alaska Native villages.

(2) Deputies to the Assistant Secretary - Indian Affairs. The Deputies to the Assistant Secretary - Indian Affairs, are responsible for providing technical advice and guidance and suggesting procedures for the implementation of the Assistant Secretary's policies and procedures. The Deputies ensure that the policies and procedures set forth in the Assistant Secretary's final policy statements are fulfilled within the Bureau of Indian Affairs' central office level.

(a) Director, Office of Administration. Responsible for ensuring that the administrative capabilities are available and operational to account for substantive audit resolutions and cost recoveries.

(b) Chief, Division of Accounting Management. Responsible for ensuring that the policies and procedures relative to cost recoveries are in place, including reporting systems, with sufficient capabilities to accurately and timely report the amount of outstanding indebtedness a tribe, tribal organization, Alaska Native Corporation is responsible for, the status of each account and documents the Bureau's attempts to resolve its claim(s) appropriately.

G. Interest, Penalty Charge Assessments. As a result of an opinion issued on December 20, 1984, by the Department of the Interior, Office of the Solicitor, Associate Solicitor, Division of Indian Affairs, the Bureau does not assess interest and penalty charges on the following types of debts:

(1) The debts owed to it by tribal governments, and/or;

(2) Tribal organizations acting in lieu of tribal governments when such organizations were performing a governmental function which gave rise to the claim; e.g., performing governmental functions under the terms and authorities present in Pub. L. 93-638, Indian Self-Determination and Educational Assistance Act of 1975.

(a) The audit disallowances of Alaska Native Corporations and/or any other corporation chartered under the laws of any State of the United States, and which are confirmed by the cognizant contracting/grants officer's findings and determinations are subject to interest and penalty charge assessments.

(b) These corporations are subject to interest and penalty charge assessments whether or not the audit disallowances and/or other

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claims by the Bureau were as a result of a corporation's operations of programs under the authorities present in Pub. L. 93-638.

H. Interest on Advances Granted Under Pub. L. 93-638. The Act, Pub. L. 93-638, precludes the assessment of interest on advances granted to tribes, tribal organizations and/or Alaska Native Corporations when such advances were intended to finance awards made pursuant to the Act. If an audit disallowance includes the requirement to recover outstanding, unliquidated advances, interest on the debt owed, if appropriate, must be computed excluding any outstanding advance amounts.

I. Administrative Charge Assessments. All debts owed to the Bureau of Indian Affairs are subject to administrative charge assessments as such assessments are attempts to recover the government's actual costs of pursuit. Further, if the CCLR process is completed on any debt referred to the Department of Justice (DOJ) and its United States Attorneys; e.g, a claim is litigated by the United States Attorney on behalf of the Bureau, the debtor is subject to court costs which will be assessed by the court at the time of judgment.

J. Documenting Litigation Claims. The Bureau will use as its instrument to document the initiation of litigation requests to the Department of Justice against Indian tribal governments, tribal organizations and Alaska Native Corporations, the "Claims Collection Litigation Report (CCLR)" (See Illustration 1). This same instrument will be used to formally document other actions the Bureau will consider, such as:

(1) Recommendations developed within the Bureau that would effectively terminate collection action, propose a method of compromise of a claim and/or result in the write off of debts owed the United States in excess of \$20,000, exclusive of interest, penalty and administrative charges as may be allowable by law;

(a) While the CCLR may be used to propose a compromise of costs and/or as a result of the receipt of an offer to compromise and where the Bureau determines that such a compromise is beneficial to the United States, only the Solicitor has been vested with compromise authority for claims not exceeding \$20,000 exclusive of interest, penalty and administrative charge assessments (344 DM 4.1A);

(b) The acceptance of offers to compromise and/or proposed compromises in excess of \$20,000 exclusive of interest, penalty and administrative charge assessments, rests solely with the DOJ. In such cases, the Bureau will evaluate the offer and refer its recommendations to the Solicitor for further evaluation. (344 DM 4.1B) The CCLR shall be used to document the Bureau's recommendation to Justice.

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(2) Requests for review of recommendations for claims termination, compromise and/or write off of amounts up to and including \$20,000, exclusive of interest, penalty and administrative charge assessments as may be allowable by law, to the Office of the Assistant Secretary - Indian Affairs;

(3) Requests for advice and comment to GAO when:

(a) Issues of specific liability are not clearly defined in the opinion of the office submitting the CCLR;

(b) Issues are included which the referring organizational level feels it cannot address; e.g., the viability of administrative offsets to new or continuing business where the Federal Government is the sole funding source for the continuing operation of the organization;

(c) The economic conditions of the organization involved would be so adversely impacted that the Bureau feels that pursuit of collection action would be a real or potential danger to the viability of the Indian tribal government as an instrument of government, and;

(d) Other issues included are of such a magnitude and precedence that the Office of the Solicitor is unable to assist the Bureau in devising a strategy for collection enforcement;

(4) Requests for advice and comment by the cognizant Office of the Field Solicitor, before referring the completed CCLR to the Office of the Assistant Secretary - Indian Affairs for review and, if appropriate, further referral through the Washington Office of the Solicitor to GAO and/or DOJ, and;

(5) Requests for assistance of the cognizant Field Solicitor to initiate negotiations to settle disputed issues where and when it may be feasible and beneficial to attempt to reach settlement prior to pursuit of the Government's claim through a formal board and/or court hearing.

**K. Negotiating Settlements and/or Repayment Schedules.** Whenever an organization; e.g., a tribal government, a tribal organization and/or Alaska Native Corporation wishes to negotiate a settlement of issues and costs, or a repayment schedule, with the Bureau, Bureau officials are to enter into negotiations. The completion of a CCLR is not to be delayed by a request to negotiate a settlement or repayment schedule.

(1) The process of developing, reviewing and submitting a CCLR to the Office of the Assistant Secretary - Indian Affairs will continue through completion no matter what other matters may be under consideration by the initiating office.

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(2) The Assistant Secretary - Indian Affairs may determine, based on reports of progress in negotiations, to suspend further action on a CCLR pending the completion of negotiations.

(3) That determination will be documented in writing and placed in the applicable CCLR folder.

(4) All negotiated repayment agreements and schedules which are proposed to liquidate debts owed to the United States through the Bureau will be approved by the Assistant Secretary - Indian Affairs before being implemented.

(5) Other settlement agreements; e.g., settlements of substantive and other issues that may or may not have a direct relationship to the allowance of costs otherwise disallowed, remain the responsibility of the parties to the settlement agreement so long as those agreeing to a settlement on behalf of the Bureau have the authority to act for the Bureau. Those having the authority to act for the Bureau as regards settlement agreements are:

(a) The Assistant Secretary - Indian Affairs and the Deputy to the Assistant Secretary/Director - Indian Affairs (Indian Education Programs) but only as agreements may relate to education programs and functions;

(b) Area Directors, and;

(c) Cognizant Contracting/Grants Officers.

L. Compromise Offers. Whenever an offer to compromise is received and/or is made by the Bureau, those having the authority to act for the Bureau are:

(1) Solicitor, but only for costs not exceeding \$20,000 exclusive of interest, penalty and administrative charge assessments (344 DM 4.1A), and;

(2) The Department of Justice for costs exceeding \$20,000 exclusive of interest, penalty and administrative charge assessments (344 DM 4.1B). Claims in which the gross original amount is \$100,000 or less will be referred to the United States Attorney in whose judicial district the debtor can be found. Claims in which the gross amount exceeds \$100,000 will be referred to the Department of Justice, Commercial Litigation Branch, Civil Division, Washington, DC 20503.

M. Documenting Settlement Agreements, Compromise Offers and Repayment Schedules in Addition to the CCLR. All settlement agreements and repayment

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schedules, including those which may have been reached as a result of compromise, shall be reduced to writing, approved by the cognizant Bureau official and/or an official acting in lieu of a Bureau official; e.g., Solicitor, and agreed to by the cognizant tribal chairman, governor, chief or other person recognized by the tribal government, and the Bureau.

N. Repayment and Settlement Agreements and Administrative Offsets. In negotiating repayment schedules and settlement agreements, administrative offsets may be considered.

O. Consideration of Other Costs. The unrecovered, legitimate costs associated with direct and indirect operations of the organization may be proposed as an offset to the total amount owed by the debtor so long as:

(1) Such costs have not been/were not considered previously as an offset to disallowances by the cognizant Contracting/Grants Officer in the development of the Findings and Determinations that established the Bureau's claim, and;

(2) So long as the unrecovered amounts relating to indirect costs have not been considered by the Office of the Inspector General in the establishment of successor, prevailing indirect cost rates.

P. Submitting Negotiated Agreements and Repayment Schedules. Proposed agreement/repayment schedules are to be submitted to the Assistant Secretary - Indian Affairs for final approval. All above referenced issues must be addressed by the submitting Bureau official as regards a proposed settlement or repayment agreement.

(1) Proposed agreements and/or schedules will include recommendations by the submitting line official and will outline any suggested actions the Assistant Secretary - Indian Affairs might take on the proposed agreement/schedule.

(2) The recommending official's signature and title must be placed on the proposed agreement/schedule and be noted as the official to be held responsible for the enactment of the final documents upon approval by the Assistant Secretary.

Q. Claims Collection Litigation Report (CCLR). The CCLR shall be used throughout the Bureau for initiating the referral of administratively uncollectible claims to the GAO and/or the DOJ for litigation. The CCLR is adopted by the Bureau to document its actions to effect recovery and when appropriate, to seek internal and external concurrence to compromise, terminate and/or otherwise settle its claims against tribes, tribal organizations and Alaska Native Corporations.

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R. Goals of the CCLR Policy. In establishing the policy as related in this manual supplement, the Bureau has the following goals:

(1) To more clearly document the claims that the Bureau has against tribes, tribal organizations and Alaska Native Corporations;

(2) To clarify issues such as ability to pay, the use of administrative offsets to recover costs, and the like;

(3) To more aggressively pursue amounts due the United States through the Bureau by virtue of its unique relationship with tribes, tribal organizations and Alaska Native Corporations, and;

(4) To ensure that all of the Bureau's referable claims be referred to Justice not later than six months after the Bureau's final determination of the amounts of the claims.

S. Additional Information Required. As both the CCLR (Illustration 1) and the Item Explanation (Illustration 2) state, all documentation which supports the claim or, when appropriate, the debtor file, should be attached to the CCLR. The following information is to be prepared and included in the CCLR package:

(1) A Certificate of Indebtedness which will provide the United States Attorney with a complete statement of how the claim arose, and which may be offered by the United States Attorney as evidence to prove the claim, including:

(a) The statutory, regulatory or other authority from which the claim arose;

(b) A summary statement or resume of the factual basis for the claim;

(c) Itemization of the dates and amounts of any payments made by the debtor to the Bureau or any credits made by the Bureau to the debtor, and;

(d) An itemization of the amounts due and owing.

(2) A Department of Justice Demand Letter (Illustration 3) which will be used by the United States Attorney to notify the debtor that the DOJ has received the claim for litigation and suit will be brought unless full payment is made within 10 days.

(a) This letter need only be prepared and submitted with

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the package when it is certain that the file will be referred to the appropriate United States Attorney.

(3) A Department of Justice Acknowledgment letter (Illustration 4) which will be used by the United States Attorney to officially notify the Bureau that the claim which was referred has been received and will give the referring location the United States Attorney's claim number.

(a) This letter need only be prepared and submitted with the package when it is certain that the file will be referred to the appropriate United States Attorney.

(4) A Department of Justice Deficiency or Declination Letter (Illustration 5) which will be used by the United States Attorney to send deficient claims, or claims which the United States Attorney declines to litigate, back to the Bureau.

(a) This letter need only be prepared and submitted with the package when it is certain that the file will be referred to the appropriate United States Attorney.

T. Claims Collection Litigation Report (CCLR) Completion. All items on the CCLR need to be addressed. A location's inability to obtain all of the information required by the CCLR should not be viewed as a deterrent to the referral of claims to the Central Office. However, information requested by the CCLR should be addressed to the greatest extent possible.

(1) Questions of feasibility should be answered on the basis of, and with the clear understanding of, the fact that claims referred to DOJ are generally for litigation purposes following aggressive administrative collection action by the referring location.

(2) The information contained in the CCLR, including the referring location's determination of the debtor's ability to pay, and the accompanying supporting documentation, should enable DOJ to successfully prosecute the claims referred to it.

(3) Any omissions on the CCLR should be explained in the appropriate item on the face of the CCLR itself.

DOJ/GAO'S CLAIMS COLLECTION LITIGATION REPORT

Date: [Month/Day/Year]

United States Attorney  
[Judicial District] of [State]  
[City, State, Zip Code]

Re: [BFC/Aud.No.] Debtor File or Reference No.

[Debtor's Full Name]	\$ [Amount]	is the total principal due.
[Debtor's Mailing Address]	\$ [Amount]	is the total interest due.
[City, State, Zip Code]	\$ [Amount]	is the total administrative charges due.
	\$ [Amount]	is the total penalty charges due.
	\$ [Amount]	is the total amount due.
	[Rate]%	is the annual interest rate.
	[Date]	is the SOL date.

Attention Claims Collection Unit

Dear United States Attorney:

This claim is referred to you for suit and such other action as you deem appropriate to enforce collection. The prior action taken by this agency and the information provided you complies fully with Federal Claims Collection Standards (4 CFR Part 101-105). The documentation required by 4 CFR Parts 101-105 is attached and the information you have requested follows.

THE DEBTOR

- |                               |                                   |
|-------------------------------|-----------------------------------|
| 1. Date of Birth:             | 2. Social Security Number:        |
| _____                         | _____                             |
| 3. Also known as:             | 3. Name used on note/application: |
| _____                         | _____                             |
| 5. Present <u>residence</u> : | 6. Residence verified by/when:    |
| _____                         | _____                             |
| _____                         |                                   |
| _____                         | 7. Present phone number:          |
| _____                         | _____                             |

8. Phone number verified by/when: \_\_\_\_\_  
[9. cont'd.] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Debtor locator (skiptracing) Information: \_\_\_\_\_  
\_\_\_\_\_

THE CLAIM

10. Basis of claim or cause of action: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
11. Statute of limitations (SOL) runs on: \_\_\_\_\_  
[12. cont'd.] \_\_\_\_\_
12. Basis for SOL date: \_\_\_\_\_
13. First demand for payment made on: \_\_\_\_\_
14. First demand made by: \_\_\_\_\_
15. Method of first demand: \_\_\_\_\_
16. Last demand for payment made on: \_\_\_\_\_
17. Last demand made by: \_\_\_\_\_
18. Method of last demand: \_\_\_\_\_
19. Debtor's response: \_\_\_\_\_  
[20. cont'd.] \_\_\_\_\_
20. Does debtor dispute claim: \_\_\_\_\_
21. Response, if any, to debtor's dispute: \_\_\_\_\_  
[22. cont'd.] \_\_\_\_\_
22. Exhaustion of administrative remedies: \_\_\_\_\_
23. Compromise offered or elicited: \$ \_\_\_\_\_  
[24. cont'd.] \_\_\_\_\_
24. Basis for compromise: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

25. Response by agency or debtor: \_\_\_\_\_ 26. Other legally responsible for  
debt: \_\_\_\_\_
27. Basis of liability by other parties: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ACCOUNT INFORMATION

28. Certification of Indebtedness: 29. Original principal owed by  
\$ \_\_\_\_\_ as of \_\_\_\_\_ debtor: \$ \_\_\_\_\_
30. Total number/amount of payments 31. Amount applied to principal:  
made/credits: \_\_\_\_\_ \$ \_\_\_\_\_
32. Amount applied to charges as- 33. Balance due on principal:  
sessed, penalties and interest: \_\_\_\_\_ \$ \_\_\_\_\_
34. Balance due on charges assessed, 35. Explain application of payments:  
penalties and accrued interest: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[35. cont'd.]

36. Debtor's last payment: \_\_\_\_\_ 37. Interest accrual date: \_\_\_\_\_
38. Present employment: \_\_\_\_\_ 39. Employment verified: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
40. Debtor's salary:  
\$ \_\_\_\_\_
41. Salary verified: \_\_\_\_\_ 42. Spouse's employment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
43. Spouse's employment verified: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[42 Cont'd]

DEBTOR'S ABILITY TO PAY

44. Having due regard for the exemptions to which the debtor is entitled under state and Federal law, the debtor's age and health, present and potential income, inheritance prospects, and the possibility that assets have been concealed or improperly transferred, the current credit report or financial statement attached (or other information found in the attached file) discloses the present or likely future availability of assets or income from which a substantial sum may be obtained by enforced collection proceedings:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

45. The following information will assist you in locating property in which the United States has a secured interest: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

46. The following information will assist you in locating other assets of the debtor: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

VALUE OF CLAIM

47. If discounted or sold in commerce, the fair market or asset value of this claim would be: \$ \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

48. With due regard to the debtor's ability to pay, as defined by question 44, above, a reasonable and acceptable compromise offer by the debtor would be: \$ \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

TRANSFER OR DIRECT DEPOSIT OF FUNDS

49. Accounting Officer: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

50. Agency accounting/disbursing officer code/symbol/number: \_\_\_\_\_
- \_\_\_\_\_

51. Treasury designated appropriation Symbol: \_\_\_\_\_

If I can be of further assistance in the matter, please do not hesitate to call me at the number given below.

Sincerely,

[Name]  
[Title]  
[Mailing Address]  
[City, State, Zip Code]  
[FTS Telephone Number]

Agency Employee Responsible for Handling the Claim:

[Name]  
[Title]  
[Mailing Address]  
[City, State, Zip Code]  
[FTS Telephone Number]

Attachments as listed:

SUPPLEMENTAL SHEET FOR DETAILED ANSWERS

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Indicate item numbers to which the answers apply.

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If more space is required, use full sheets of paper the same size as this page. Attach all sheets behind page 6.

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ITEM EXPLANATION

The following explanations are provided to assist and direct you on the specific information required in each item on the Claims Collection Litigation Report (CCLR).

When the space provided on the face of the CCLR is not adequate for your responses, continuation of the responses should be made on the supplemental sheet attached to the report. When this is done, appropriate notations indicating that additional information is attached should be included at the related items on the face of the CCLR. The supplemental sheet should also be used to provide the same information required in "The Debtor," "Debtor's Employment," and "Debtor's Ability to Pay" sections of the report for the additional debtors on a multiple debtor claim. In addition, the supplemental sheet should be used to provide the same information required in "The Claim" and "Account Information" sections of the report for any additional debts of a single debtor. Again, appropriate notations indicating that additional information is attached should be included at the related sections on the face of the report.

As stated in the text of this manual supplement, the CCLR is a standard litigation report which will provide DOJ with the information on all agency claim referrals in the same order or sequence. As both the CCLR and the following explanations state, all documentation which supports the claim, or where appropriate, the agency's debtor file should be attached to the report.

TOP PORTION

Date: Show the date that the CCLR is signed.

Inside Address: Simply show "United States Attorney," the Federal judicial district, and the city, state and zip code. The judicial district may be written as a phrase such as "Southern District of Iowa," or "District of Kansas," as appropriate. The state can be the Postal two capital letter abbreviation. A complete mailing address for the United States Attorney should be provided on the mailing envelope.

Re: Show the full organizational name and mailing address which has been verified by the submitting location within the past six months.

Debtor's File or Reference No: Show the location's debtor file number; e.g., Bill for Collection Number(s), audit number or the like.

Total Principal Due: Show the amount of principal due on the claim. Where fees and costs advanced are to be recovered from the debtor, include them in the principal. The Certification of Indebtedness which is included in the

CCLR, should provide an explanation and itemization when the total principal due is a cumulative total and combines separate items; e.g., recoverable fees and costs advanced, promissory notes of different dates or amounts.

Total Interest Due: Show the total amount of interest due through the date of the Certification of Indebtedness. The Certification of Indebtedness, which is included in the CCLR, should include an itemization and explanation of interest charges and when, for example, the total interest due includes separate items such as interest due on more than one promissory note or a series of discrete claims, each interest charge should be itemized and explained.

Total Administrative Charges Due: Show the total amount, through the date of the Certification of Indebtedness, of any administrative charges which may have been assessed by the location to cover the costs of processing and handling the claim pursuant to the Debt Collection Act of 1982, Pub. L. 97-365, §11(e)(2). The Certification of Indebtedness which is included in the CCLR, should provide an itemization and explanation of such charges.

Total Penalty Charges Due: Show the total amount, through the date of the Certification of Indebtedness, on any penalty charges which may have been assessed by the location for the debtor's failure to pay any portion of a debt more than 90 days past due pursuant to the Debt Collection Act of 1982, Pub. L. 97-365, §11(e)(2). The Certification of Indebtedness, which is included in the CCLR, should provide an explanation and itemization of such penalty charges as assessed and claimed.

Total Amount Due: Show the grand total amount due on the claim through the date of the Certification of Indebtedness.

Annual Interest Rate: Show the rate of annual interest charged by the location on the debt.

SOL (Statute of Limitations) Date: Show the same Statute of Limitations date which is to be entered at Item 11 of the CCLR.

THE DEBTOR

Item 1: Since these are "corporate" debts, show "Not Applicable, Corporate Debtor."

Item 2: Since the debtor is "corporate," show the tax identification number of the "corporation." If the tax identification number is not known, show "Unknown."

Item 3: Show any other name(s) that may be used and/or have been used by

the debtor. For instance, if a debtor has changed its name; e.g., Papago Tribe of Arizona, show the name under which the debtor now conducts business. If no "corporate" names other than that under which the Bureau's claim is held, show "Not Applicable," or "Unknown."

Item 4: Show the name(s) the debtor used on the initial instrument; e.g., contract, grant, loan application, which gave rise to the indebtedness.

Item 5: In the case of "corporate" debtors such as the Bureau's, the address should be the debtor "corporation's" principal place of business and reflect the name and address of the recognized organizational head.

Item 6: Show the name of the person or the source that verified the debtor's present address. Verification should have been accomplished within the six month period immediately preceeding the date of the CCLR.

Item 7: Show the debtor's present telephone number.

Item 8: Show the name of the person or the source that verified the debtor's present telephone number and the most recent date within the last six months that the debtor's present telephone number was verified.

Item 9: In the case of a "corporate" debtor, include the current residence addresses of the principal officers of the "corporation."

#### THE CLAIM

Item 10: Briefly describe or characterize the claim or cause of action; e.g., audit disallowances, unliquidated advances, etc. Describe in particular the type of benefit overpayment, loan default, or other action by the debtor which gave rise to the claim. Where possible, identify the statutory, regulatory or other authority from which the claim arose.

Item 11: Show the last date; e.g., month, day, year, on which suit can be brought to recover the claim or debt. This is the SOL (Statute of Limitations) date.

Item 12: Show the basis for the SOL date claimed; e.g., the default date, date of last payment, date when the Bureau met its last administrative requirement and the date which ultimately documented the debt in such a way that the location became alerted to the fact that there was a debt owed. For instance, when the cognizant contracting officer writes and publishes a final findings and determinations and all cost issues that can be resolved are resolved, any and all remaining amounts are then disallowed, a Bill for Collection is issued establishing the Government's claim. The SOL date in that case is the date the written findings and determinations was executed.

Generally, unless the debtor made a partial payment of the debt, the Statute of Limitations date would be based upon the date the agency first became aware of the debt. In the event that a partial payment was received, the SOL date is computed based on the date of that last partial payment. (See 28 U.S.C. §2415 which provides, in part, that "...every action for money damages brought by the United States...shall be barred unless the complaint is filed within six years after the right of action accrues...[however] in the event of later partial payment or written acknowledgment of debt, the right of action shall be deemed to accrue again at the time of each such payment or acknowledgment....")

Item 13: Show the date; e.g., month/day/year, on which the first location demand for payment was made on the debtor.

Item 14: Show the name of the location official, agency, or office that made the first demand for payment on the debtor.

Item 15: Show how the first agency demand for payment was communicated to the debtor; e.g., certified mail - return receipt, mailgram, etc.

Item 16: Show the date; e.g., month/day/year, on which the last location demand for payment was made on the debtor.

Item 17: Show the name of the agency official, agent or office that made the last demand for payment on the debtor.

Item 18: Show how the last agency demand for payment was communicated to the debtor; e.g., by letter, telephone, or personal contact with the debtor.

Item 19: Briefly explain the debtor's response, if any, to the location's demands for payment, the date(s); e.g., month/day/year, of any responses, and the manner in which such responses were communicated to the location; e.g., by letter, telephone, personal contact, etc. If the debtor did not respond to the location's demands for payment, show "No response."

Item 20: If the debtor denied the claim, in whole or in part, give the date; e.g., month/day/year, of such denial and explain how the debtor's denial of the claim was made known to the location; e.g., letter, telephone call, or personal interview. Briefly explain the debtor's position with respect to the claim, if known. Explain any defenses that the debtor raised or can be expected to raise with respect to the claim and the merits of such defenses. Attach copies of any location records documenting the debtor's denial. If the debtor did not dispute the claim, in whole or in part, show "Claim not disputed by debtor."

Item 21: Briefly explain any agency response to the debtor's denial of the

claim. Attach copies of any agency response to the debtor's denial, in whole or in part, of the claim. Otherwise, show "No agency response." If the claim was not disputed by the debtor, show "Not applicable."

Item 22: Briefly describe any administrative remedies and/or rights available to the debtor; e.g., application for waiver, request for reconsideration, appeal, etc. Explain how the debtor was apprised of the availability of those remedies and/or rights, and what action was taken by the debtor with regard thereto. Show the date; e.g., month/day/year, of any such application for waiver, request for reconsideration, or appeal. Attach copies of any documents evidencing such debtor's application for waiver, request for reconsideration, or appeal. Explain what agency action was taken in response to the debtor's exercised rights to administrative remedies. Show the date; e.g., month/day/year, of such agency action and attach copies of documents evidencing the same. Explain any "technical defenses;" e.g., procedural deficiencies, that the debtor raised or can be expected to raise with respect to the claim and the merits of such defenses.

Describe and discuss the merits of any counterclaim by the debtor against the United States, as well as any claim for offset which the debtor may assert.

Item 23: Show the amount and date; e.g., month/day/year, of any compromise offer made by the agency or elicited from the debtor.

Item 24: Briefly explain whether the compromise offer was elicited from the debtor or offered to the debtor by the agency. Explain the basis of or reason for the amount of the compromise offer, if known.

Item 25: Show the agency or debtor's response (specify which) to the compromise offer and the reason for the acceptance or rejection of the offer in compromise; e.g., "the debtor asserted that he/she had no funds with which to pay the compromise offered by the agency," or "the agency rejected the debtor's compromise offer because the debtor's known discretionary expenditures are 10 times the amount of the compromise offer."

Item 26: Show the name(s) and present residence address(es) of any other person(s) liable for repayment of the debt; e.g., beneficiaries, guarantors, assumptors, conservators, corporate officers. The present residence address provided should be that of the dwelling in which the person lives so that he or she may be personally served with legal process; e.g., complaint or summons. If no other person is legally responsible for the debt, show "None."

Item 27: Briefly explain the basis of liability of other parties. Explain whether such liability is joint or several, or both. Provide details of any action taken by the agency against the other parties including, for example,

the amount of any recovery from other parties. If no action was taken against the other parties legally responsible, explain why.

#### ACCOUNT INFORMATION

Item 28: Show the total amount of the debt; principal, costs and fees advanced, accrued interest, administrative charges, penalty charges, as of the date; e.g., month/day/year, of determination (settlement) as reflected on the Certification of Indebtedness. The Certification of Indebtedness should provide the United States Attorney with a complete statement of how the claim arose, including the statutory, regulatory, or other authority from which the claim arose, a summary statement or resume of the factual basis for the claim, an itemization of the dates and amounts of any payments made by the debtor to the agency or any credits made by the agency to the debtor, and an itemization of the amount due and owing, and should be for the full amount of the debt shown on the first page of the report. Attach the Certification of Indebtedness to the report. In the event that the debtor has filed a bankruptcy petition and if the nature of the security agreement and the property in which the United States has a security interest is such that the debtor can reaffirm the debt, then list the number, dates and amounts of payments to which the debtor is in arrears.

Item 29: Show the original amount owed by the debtor; e.g., exclusive of any assessments that may have been added later. Although there may be exceptions, this amount will usually be the principal amount of the indebtedness before the accrual of interest, penalty and administrative charges and before the debtor has made any payments.

Item 30: Show the total number and amount of any payments made by the debtor to the agency or the agency's assignor, or any credits made by the agency to the debtor. For example, if five payments of \$25.00 each, show "5 payments/\$125;" if two credits of \$30.00 each, show "2 credits/\$60." Indicate the nature of such payments or credits; e.g., whether they were by offset, lump sum or installment. If no payments or credits were made, show "None."

Item 31: If payments or credits were made, show the amount which was applied to the principal of the debt. Otherwise, show "Not applicable."

Item 32: Show the total amount which was applied to any administrative charges assessed by the agency, any penalty charges assessed by the agency, and the interest due on the principal amount of the debt, if applicable. If not, show "Not applicable."

Item 33: Show the remaining balance due on the principal amount of the debt. In the event that the debtor has filed a bankruptcy petition, show the balance due on the principal as of the date the petition was filed.

Item 34: Show the balance due on any administrative charges assessed by the agency, any penalty charges assessed by the agency, and the accrued interest on the principal amount of the debt, if applicable. If not, show "Not Applicable." In the event that the debtor has filed a bankruptcy petition, show the interest due to the date the petition was filed and daily accrual of interest thereafter.

Item 35: Explain how payments received from the debtor are to be applied. Normally, when a debt is paid in partial or installment payments, amounts received by the agency should be applied first to any outstanding administrative charges which have been assessed by the agency pursuant to the Debt Collection Act of 1982, Pub. L. 97-365, §11(e)(2); second, to any outstanding penalty charges which have been assessed by the agency for debtor's failure to pay any portion of a debt more than 90 days past due pursuant to the Debt Collection Act of 1982, Pub. L. 97-365, §11(e)(2); third, to accrued interest; and fourth, to outstanding principal.

Item 36: Show the amount and date; e.g., month/day/year, of the last payment which the debtor made to the agency or the agency's assignor.

Item 37: Show the interest computation or interest accrual date; e.g., the date from which interest is due, if applicable. If not, show "Not applicable."

#### DEBTOR'S EMPLOYMENT

Item 38, Item 39, Item 40, Item 41, Item 42, and Item 43: Show "Not applicable," as this form is used by the Bureau of Indian Affairs, in this manual supplement, for "corporate" debts only.

#### DEBTOR'S ABILITY TO PAY

Item 44: Explain the evidence that discloses, and the basis for, the agency's determination that, given the debtor's present or likely future availability of assets or income, a substantial sum may be obtained by enforced collection procedures against the debtor.

The agency's determination should take into account any exemptions to which the debtor is entitled under state and Federal law, the debtor's present and potential income, and the possibility that assets have been concealed or improperly transferred. Also, provide any information concerning any legal proceedings such as proceedings in bankruptcy, that may affect the government's ability to collect the debt. Attach to the CCLR, all supporting documentation including, for example, an audited balance sheet.

Item 45: Provide any information which will assist the United States Attor-

ney in locating real or personal property in which the United States has, or may have, a security interest. Describe and give the last known location of such property. Describe and attach security agreements or real estate or chattel mortgages which give the United States a security interest; e.g., papers in the agency's file which describe or show what property was pledged. Show the asset or fair market value of any such real or personal property and information concerning any prior liens, mortgages, etc., on the pledged real or personal property listed. Provide any additional information necessary to assist the United States Attorney to locate the assets of the "corporation."

Item 46: Provide any information which will assist the United States Attorney in locating other assets of the debtor; e.g., assets other than pledged property as shown in Item 45. If this information is not known, show "Unknown."

#### VALUE OF CLAIM

Item 47: Show and explain the fair market or asset value of the claim; e.g., the amount of cash which may be realized as a result of litigation of the claim. Explain the basis for the value given. The agency's determination of the value of the claim should be based in part upon the ratio which the amount of the claim or debt bears to the amount of the debtor's assets and income which can be realized by enforced collection and upon the unencumbered value; e.g., after prior liens have been satisfied, of any property of the debtor in which the United States has a secured interest. The information provided should reflect the true value of the claim and, thus, enable the United States Attorney to more accurately determine the amount which the government is likely to recover by enforced collection.

Item 48: With due regard to the debtor's ability to pay as defined by Item 44, above, show the agency's recommendation on the amount for which the claim can reasonably be settled or compromised. Explain the basis for the amount shown. This amount should bear a direct relationship to the debtor's assets and income that can be reached by garnishment, levy, or attachment. The agency's recommendation will provide the United States Attorney with the necessary information and guidance for an informed consideration of any compromise offer or settlement the debtor may make. Having such information beforehand will eliminate the delay and expense which would otherwise be necessary for the United States Attorney to obtain the agency's assessment of a debtor's compromise offer made after the claim has been referred to the United States Attorney.

#### TRANSFER OR DIRECT DEPOSIT OF FUNDS

Item 49: INITIATING OFFICES, OTHER THAN CENTRAL OFFICE, LEAVE BLANK.

The Division of Accounting Management will provide the following information:

The name, title, complete mailing address and FTS telephone number of the agency official at the accounting code location, as set forth in Item 50 below, who is responsible for resolving any accounting problems which may arise with respect to the individual claim.

Items 50 and 51: INITIATING OFFICES, OTHER THAN CENTRAL OFFICE, LEAVE BLANK.

The Division of Accounting Management will provide the information:

The account(s) to which collections realized through the CCLR process may be deposited and any and all other information required by the Treasury to track such deposits.

In the near future, monies collected by the United States Attorneys will be deposited directly to the Treasury or to banks designated by the Treasury to receive such deposits. Under the system being developed, monies will be deposited to a Department of Justice suspense account and then, on a regular basis, funds collected will be transferred to the Bureau. United States Attorneys' offices will provide, on a regular basis, accountings of the amounts of payments received from each debtor to the individuals within the agencies responsible for handling debtor claims.

To accomodate these inter-agency fund transfers in accordance with the Treasury Fiscal Requirements Manual, the information requested in Items 50 and 51 must be provided. Since it is to the Bureau's advantage to ensure the centralized tracking of these transfers, the Bureau's Central Office staff will provide this information on the referral package.

Closing: After the word "Sincerely," space down five lines and enter, in block form, the name, title, complete mailing address, and FTS telephone number of the agency official who will sign the report; e.g., Assistant Secretary - Indian Affairs.

Agency Employee Responsible for Handling the Claim: Show the name, title, complete mailing address and FTS telephone number of the agency employee who is more knowledgeable of the history, facts and details of the individual claim and who is responsible for answering any questions or resolving any problems which may arise with respect to the individual claim.

Attachments as Listed: List all supporting documentation which is included in the CCLR package. All documents provided should be legible copies. DO NOT FORWARD ORIGINAL DOCUMENTS AS ATTACHMENTS. If original documentation is required, the United States Attorney will contact the individual listed above and obtain the required information/materials.

DEPARTMENT OF JUSTICE  
Demand Letter

U.S. DEPARTMENT OF JUSTICE  
UNITED STATES ATTORNEY

[Debtor's Full Name]  
[Debtor's Mailing Address]  
[City, State, Zip Code]

Re: Bureau of Indian Affairs Indebtedness  
[Amount of Claim]  
[Cause of Claim; e.g., Audit Disallowance]

Dear [Tribe, Tribal Organization, Alaska Corporation Name]:

The Bureau of Indian Affairs, [Area, Agency, School], claims that you are indebted to the United States for the amount shown above. The basis for the claim is set forth on the enclosed Certificate of Indebtedness. It is the responsibility of this office to file suit to collect debts owed to the United States after all effort by the Bureau of Indian Affairs to collect have failed.

Unless payment in full is received within the next 10 days, we will be compelled to file suit against you in United States District Court to recover the full amount of the claim. In the latter event, court costs, United States Marshal's fees and interest will be added to the amount you now owe. Enforced collection can then be made by the United States Marshal who may be ordered to attach and sell any non-exempt property you have now or may acquire in the future.

Your check or money order for the amount shown above should be made payable to "Treasurer of the United States" and mailed to us in the enclosed self-addressed envelope within 10 days.

Only your full cooperation and prompt payment of the amount of the claim will make suit and enforced collection unnecessary.

Very truly yours,

[Name]  
United States Attorney

Enclosure

DEPARTMENT OF JUSTICE ACKNOWLEDGMENT  
"Comeback Letter"

U.S. DEPARTMENT OF JUSTICE  
UNITED STATES ATTORNEY

[Name]  
Assistant Secretary - Indian Affairs  
Bureau of Indian Affairs  
[Mailing Address]  
[City, State, Zip Code]

Re: Receipt of Bureau of Indian Affairs' Claim  
[Debtor's Full Name]  
[Agency's File or Claim Identification Number]  
United States Attorney's Claim Number: [Leave Blank]

Dear Assistant Secretary [Surname]:

This is to acknowledge receipt of the above-referenced claim which was sent to this office for enforced collection. You will be advised of the success of our efforts in this regard in due course. If your future correspondence or other communication with this office relative to this matter references the debtor's full name and our civil claim number above, we will be able to respond more quickly. Please annotate your file accordingly.

Very truly yours,

[Name]  
United States Attorney

DEPARTMENT OF JUSTICE  
Deficiency or Declination Letter

U.S. DEPARTMENT OF JUSTICE  
UNITED STATES ATTORNEY

[Name]  
Assistant Secretary - Indian Affairs  
Bureau of Indian Affairs  
[Mailing Address]  
[City, State, Zip Code]

Re: Bureau of Indian Affairs' Claim  
[Debtor's Full Name]  
[Agency's File or Claim Identification Number]

Dear Assistant Secretary [Surname]:

Our initial review of the above-captioned claim which you recently referred to this office for enforced collection revealed that the claim, as forwarded, does not meet the minimum standards for referral of such claims to the United States Attorney for litigation. As you know, the Federal Claims Collection Standards (4 C.F.R. §§101-105) require that certain information be forwarded to United States Attorneys with each claim.

The reason(s) why we consider this claim to be deficient and we presently decline to enforce collection of the claim through litigation is (are) indicated below.

\_\_\_\_\_ Claim was not referred well within the time limited for bringing timely suit against the debtor.

\_\_\_\_\_ Claim was less than \$600.

\_\_\_\_\_ Claim did not include the debtor's current residence address for service of complaint and summons.

\_\_\_\_\_ Claim was not accompanied by credit data obtained within the last six months indicating the present or likely future availability of assets or income from which a substantial sum may be obtained by enforced collection proceedings.

\_\_\_\_\_ Claim was not accompanied by a summary and supporting documentation of the actions previously taken to collect (including agency demands for payment, personal interview with debtor) or compromise the claim.

\_\_\_\_\_ Claims Collection Litigation Report not adequately completed.  
See Item(s) \_\_\_\_\_. Please provide requested information or an  
explanation of why you cannot.

\_\_\_\_\_ Other.

If you are able to provide us with the above-indicated information as required by the Federal Claims Collection Standards, then you should resubmit the claim to us for appropriate action.

Very truly yours,

[Name]  
United States Attorney

FINANCIAL MANAGEMENT  
Accounting Procedures Handbook

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3.21 Accounting Policy and Procedures for Billing and Recording Reimbursements for the Use of Bureau Owned Roads Equipment.

A. Introduction. This section establishes the policies and procedures to be followed in: (a) accounting for the reimbursable costs due the Roads Equipment Pool for the use of Bureau owned road construction and maintenance equipment; (b) preparing the billing to the user; and (c) recording reimbursement to the Roads Equipment Pool Account.

B. Authority. The authorities which provide for the recovery of allowable costs for the use of the Bureau-owned roads equipment and associated overhead; and for the distribution of these costs to the benefiting projects on which the equipment was used during the accounting period are found under statute at 23 U.S.C. 120; 31 U.S.C. 686; and under regulation at 23 CFR 140, Subpart G, and 48 CFR, Subpart 31.6.

C. Scope and Applicability. With the passage of Public Law 97-424, the Surface Transportation Act of 1982, the Bureau receives funding for construction and improvement of Indian reservation roads through the Federal Highway Trust Fund appropriation which was authorized by this Act. For the purposes of implementation, the Act requires the Federal Land Highway Program to be treated under the same uniform policies as the Federal-Aid Program with States. In this respect, the Federal Highway Administration (FHWA) is the grantor and the Bureau is the grantee.

(1) The Federal Highway Administration, which administers the Federal Highway Trust Funds, has authorized the use of equipment rental rates as a uniform method to charge all users of equipment for proportionate shares of costs of operations. Reimbursement from the Federal Highway Trust Fund is limited to the recovery of allowable actual costs which are properly allocable to and incurred for the benefit of an authorized project.

(2) The Bureau has determined that the most equitable method of accounting for the costs of equipment and operations to be used as a basis for establishing rental rates is to maintain Roads Capital Equipment Pools as cost centers separate from other roads activities. The appropriation from which the equipment was purchased, 14X2364, will be maintained, with a separate activity to segregate the equipment pool operations.

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D. Policy. The Bureau will establish and maintain a roads construction equipment pool as a separate and distinct cost account. Included in the pool will be the acquisition and related direct maintenance cost of the capital equipment and other indirect overhead costs associated with managing and warehousing the equipment. No costs which meet the definition of a direct cost to a construction or maintenance project, or which are for overall program management or project supervision at the Central Office, Area Offices, or Agencies are to be charged to this pool. The cost pools may be carried at the area level, agency level, or both.

(1) Overhead costs will be allocated through the use of an indirect cost rate. Until such time as historical data can be accumulated on which to base the indirect rate, the overhead costs will be recovered by using a fixed rate of 10 percent of the acquisition cost of the capital equipment in the pool. Federal cost principles as published in OMB Circular A-87 will be followed in determining allowable costs.

(2) Equipment use cost will be allocated on the basis of depreciation, or use allowances for fully depreciated equipment or equipment acquired at no cost. Equipment use cost, including the pool overhead, is to be charged to all user projects, including Federal Highway Administration approved road construction projects, Bureau roads maintenance projects, forestry or land services projects, and other projects covered by legally sufficient agreements with states, local governments, and BIA contractors, when Bureau pool equipment is used.

E. Responsibilities.

(1) Area Road Managers. In coordination with the Area Property Managers, Area Road Managers will prepare the Depreciation and User Rate Schedule and update it semiannually. Area Roads Managers will also prepare the monthly Equipment Use Report for each user project and forward it to the Branch of Finance and Administrative Accounting, Albuquerque, New Mexico, before the last work day of each month. Area Roads Managers are to assure that only allowable costs are recorded to the Roads Equipment Pool Account, and that rental rates are established which provide for the recovery of these costs.

(2) Area Acquisition and Property Management Office. Area Property Managers will provide capital equipment property listings to Area Roads Managers for use in preparing the depreciation schedules. Area Property Managers shall assist the Area Roads Managers in preparing the depreciation schedules.

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(3) Branch of Finance and Administrative Accounting.

The Branch of Finance and Administrative Accounting will prepare the billing and accounting documents required to record the monthly reimbursements and annual depreciation, and will process the accounting system entries. The accounting office will review the program source documents and assure that recorded rental charges do not exceed the annual depreciation and overhead.

F. Procedures. A roads inventory property depreciation schedule will be generated and provided to each Area. The overhead cost percentage will be included on the depreciation schedule until such time as an annual indirect rate for the equipment pool management is established.

(1) The schedule will list the following:

- (a) capital equipment;
- (b) the date of acquisition;
- (c) the acquisition cost;
- (d) the estimated life; and
- (e) the annual depreciation schedule.

(2) The schedule will be updated semiannually to include:

- (a) new equipment acquisitions;
- (b) the capitalized costs of major repairs which extend the life of a piece of used equipment.

(3) Overhead Cost. This will provide the data necessary to establish a cost base on which to compute an indirect cost rate to replace the interim 10 percent fixed overhead rate. The indirect cost rate for future years will provide for full recovery of the overhead cost. All overhead costs associated with the equipment pool (repairs required to keep the equipment operational which do not extend the usable life of the equipment; payroll costs of personnel assigned to manage the pool, i.e., mechanics, warehouse personnel, etc.; storage and warehouse space; rental of equipment from commercial sources which is used on more than one project, i.e., not a direct one time cost of a specific project) are to be recorded to the following accounts:

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<u>Area/Agency</u>	<u>Project</u>	<u>FY</u>	<u>Activity</u>	<u>EL/CP</u>	<u>Description</u>
Standard Bureau Codes	000	X	1255	3442	Equipment Minor Repair
				3443	Commercial Rental
				3446	Preventive Maint.
				3490	General Operations
				3495	Staff Training

(4) Capital Equipment Cost. All roads capital equipment costs will be identified as pool equipment costs on the Bureau Accountable Property Records. Future equipment acquisitions and cost of major overhauls which extend the life of the equipment will be recorded to the pool account, as follows:

<u>Area/Agency</u>	<u>Project</u>	<u>FY</u>	<u>Activity</u>	<u>EL/CP</u>	<u>Description</u>
Standard Bureau Codes	000	X	1255	3441	Lease-Purchase
				3445	Major Equipment Overall
				3444	Equipment Purchase

(5) Accounting Transactions and Source Documents.

(a) Accounting transactions will be prepared to record the reimbursement to the equipment pool and to record the charge to internal user cost accounts or to the accounts receivable for external users. The transactions will be based on the monthly equipment use reports prepared by the Area Roads Engineer. The source accounting document to record the transactions will be a Journal Voucher (OF 1017-G) for internal charges (Federal Highway Trust Fund and Bureau), and a Bill for Collection (DI 1040) for external users. Illustration 1 provides a sample Journal Voucher and Illustration 2 provides a sample Bill for Collection.

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(b) Annually, in the last quarter of the fiscal year, the Branch of Finance and Administrative Accounting will record the depreciation expense for the roads capital equipment, adjusted for acquisitions (1/2 year for new equipment placed in service during the fiscal year) and totally depreciated equipment or disposals (1/2 year in the last year of useful life of disposal), whichever is applicable. The depreciation expense transaction will be documented on a Journal Voucher (see Illustration 3). The transaction will be recorded as a debit to depreciation expense (GL 900.20) and as a credit to allowance for depreciation (GL 146.00) using Accounting Code 95 and Transaction Code 17. Transaction Code 27 will be used when it is necessary to reverse the depreciation expense entry in correcting errors.

(c) The source program documentation for the allocation of all equipment pool costs to benefiting projects will be the Annual Depreciation Schedule and the Monthly Equipment Use Reports. The source accounting documentation will be the Bill for Collection and the Journal Voucher. All documentation, program and accounting, will be retained on file in the Branch of Finance and Administrative Accounting Office for cost validation, certification, audit, and internal review purposes.

Optional Form 1017-G (9-79)  
 Title 7, GAO Manual  
 10107-010

**JOURNAL VOUCHER**

J. V. No. 185  
 Date July 31, 1988

REFERENCE	EXPLANATION	DEBIT	CREDIT
Project Number or Numbers	To record the pool equipment rental for the month of July		
	Cost (14X8102)	60,000	
	Reimburse (14X2364) (One Project)		60,000
	OR		
Proj. 123	Cost (14X8102)	20,000	
Proj. 124		20,000	
Proj. 125		20,000	
	Reimburse (14X2364) (Multiple Projects)		60,000
<b>TOTAL,</b>		60,000	60,000

Prepared by AR  
(Signature)  
 Accounting Technician  
(Title)

Approved by Jason E. Doe  
(Signature)  
 Chief, XXX Section  
(Title)

Dr-1040b  
 Revised  
 (Aug. 1973)

**BILL FOR COLLECTION**

Bill No. 123456

Make Remittance Payable To: \_\_\_\_\_ Date \_\_\_\_\_  
 (Bureau or Office)

Mail Payment To: \_\_\_\_\_  
 (Address)

PAYER:

State of "Mind"

Amount of Payment \$ \_\_\_\_\_

Date	DESCRIPTION	Quantity	Unit Price		Amount
			Cost	Per	
July	Rental costs for Bureau Roads Equipment used on Project Number 123 as authorized under Agreement No. KooG14202020.				6000 00

AMOUNT DUE THIS BILL, \$ 6000 00

Amount received, \$ \_\_\_\_\_

ACCOUNTING CLASSIFICATION (Appropriation Symbol must be shown; other classification optional)

TC 18 Koo/000/X/1255/90/

ADMINISTRATIVE OR BILLING COPY



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### 3.22 Journal Vouchers for Intra-Bureau Accounting Transactions.

A. Introduction. GAO Form 1017-G, Journal Voucher is the approved form for effecting all intra-Bureau corrections and adjustments to collections and expenditures recorded in the BIA's automated accounting system, within Agency Location Code (ALC) 14-20-0699. BIA Form BF-349, Voucher and Schedule of Cash Withdrawals and Credits is not approved for use within ALC 14-20-0699.

(1) The requests for journal vouchers will be initiated by Program Managers who have identified the need for an adjustment or correction to their program's account. The Program Manager will prepare a memorandum request, in the format shown in Illustration 1, and obtain the approval of other Program Managers whose accounts will be affected by the adjustment. The request, with the required supporting documentation, will be submitted through the Servicing Accounting Officer (Area or Central Office) or Agency Administrative Officer, to the Branch of Finance and Administrative Accounting, Accounting Operations Section, P.O. Box 127, Albuquerque, N.M. 87103.

(2) All journal vouchers for ALC 14-20-1699 will be prepared and processed by Accounting Operations Section personnel; except, Letter of Credit cash advance liquidations and cost transactions related to Pub. L. 93-638 contract and grant management, which will be accomplished by the responsible Area/Agency office personnel.

(3) Journal vouchers for ISSDA/Trust Funds will be processed in accordance with instructions provided by the Branch of Trust Fund Accounting.

#### B. Journal vouchers may be requested to:

(1) Complete cash transactions between two or more BIA appropriation, fund, or receipt accounts (i.e., to clear cash receipts or expenditures that were recorded in a suspense/clearing account pending determination of correct accounting data).

(2) Correct erroneous accounting data used to record cash advances, expenditures, refunds, receipts, and reimbursements.

#### C. Journal vouchers may not be requested to:

(1) Transfer funds. Fund transfers may be accomplished by redistribution and reprogramming under guidelines issued in 42 BIAM Supplement 4.

(2) Processing cash payment and collection transactions between the independent accounting stations at Flathead and San Carlos irrigation and power projects and other BIA organizations. These must be accomplished by Treasury checks.

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D. Instructions for requesting issuance of a journal voucher to effect Intra-Bureau accounting transactions.

(1) Instructions for the requesting offices.

(a) The originator.

(i) Identifies the need for an adjustment.

(ii) Initiates the request for an adjustment by preparing a request package which includes a memorandum requesting a journal voucher (see Illustration No. 1); a copy of the source document which generated the original transaction; and a copy of the register, ledger, or journal page that shows the original recording of the transaction.

(iii) Presents the request package to each manager whose accounts will be affected, for approval (denoted by manager's signature on the request form). These managers could be at another Area or Agency office. The journal voucher will not be accomplished unless all appropriate managers have signed the request.

(iv) Retains a complete copy of the approved request package.

(v) Submits the original package to the Area Accounting Officer, if an Area Manager; to the Agency Administrative Officer, if an Agency Manager; or to the Central Office Servicing Accounting Officer, if a Central Office Manager.

(2) The Area Servicing Officer/Agency Administrative Officer.

(a) Assigns a request number, enters the number in the designated space on the request form, then enters descriptive data in the Area/Agency Journal Voucher Request Log (see Illustration 2).

(b) Reviews request package for completeness, accuracy, and validity.

(c) Submits package to the Branch of Finance and Administrative Accounting (see address under paragraph 3.22A of this section).

E. Procedures to be followed by Accounting Operations Section in processing requests for journal vouchers.

(1) All incoming requests are date stamped to indicate the date received.

(2) An accounting technician:

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(a) Forwards all adjustments to Cash Management Section for approval if the journal voucher request involves correction of collections or collection type activities. This also applies to travel advance corrections.

(b) Reviews the package to ensure that it contains all required information and supporting documents.

(c) Verifies the validity of document references and accounting data.

(d) Attempts to resolve by telephone any questions regarding the request package; if unable to resolve, returns the package to the appropriate Area/Agency office, with deficiencies noted on a covering transmittal memorandum.

(e) If request package is acceptable, assigns an appropriate sequential number and enters descriptive data in the Journal Voucher Request Log (see Illustration No. 3).

(f) Prepares a Journal Voucher, Form 1017-G (see Illustration No. 4), in accordance with the information contained within the request package.

(g) Signs the completed Journal Voucher in the space provided for the preparer.

(3) An operating accountant or the Section supervisor:

(a) Reviews the completed Journal Voucher for accuracy and validity of the data and propriety of the requested accounting transaction.

(b) If the Journal Voucher and the requested package are complete and acceptable, approves by affixing signature in space provided on Form 1017-G and returns to preparer for processing.

(c) If any part is incomplete, inaccurate or invalid, returns the Journal Voucher and the requested package to the preparer with instructions for required action.

(4) After processing is complete and data input has been verified, a copy of the accomplished journal voucher is forwarded, without backup material, to the originating location via transmittal form. The journal voucher will have the request number noted for tracking purposes.

(5) A file consisting of the original journal voucher and all supporting documents will be maintained by Accounting Operations for three (3) years after the fiscal year cutoff and then destroyed, in accordance with 15 BIAM Supplement 3, Appendix 2.

Sample Memorandum Requesting  
Issuance of a Journal Voucher

Memorandum

Date:

From: Accounting Officer/Agency Administrative Officer, Area/Agency

To: Branch of Finance and Administrative Accounting,  
Attn: Accounting Operations Section

Subject: Request Number \_\_\_\_\_ for a Journal Voucher to Effect  
Intra-Bureau Accounting Transaction(s)

Please process the following adjustments to the accounting records:

Reason for adjustment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Copies of the source document and the page of the register, journal, or ledger that show the original recording of the transaction are attached.

The transaction was entered as:

	Amount
Accounting Data: _____	\$ _____
_____	_____
_____	_____
_____	_____

The transaction should be entered as:

Accounting Data: _____	\$ _____
_____	_____
_____	_____
_____	_____

Contact: \_\_\_\_\_ (Name) Telephone: \_\_\_\_\_ (Number)

Approved by Program Manager(s):

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Signature \_\_\_\_\_ Date: \_\_\_\_\_





