NOAA FINANCE HANDBOOK
CHAPTER 8
RESPONSIBILITIES OF ACCOUNTABLE OFFICERS

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08-01 PURPOSE

The purpose of this chapter is to prescribe the policy relating to accountable officers.

08-02 SCOPE

The provisions of this chapter apply to all National Oceanic and Atmospheric Administration (NOAA) and Bureau of Industry and Security (BIS) organizations. This chapter furnishes information to managers about procedures for accountable officers (e.g., certifying officers, cashiers, and collection officials).

08-03 REFERENCES

1. 31 U.S.C. 3302, 3325, 3527, 3528.

2. U.S. Department of Treasury, Manual of Procedures and Instructions for Cashiers, 5/01.

3. U.S. Department of Treasury, Treasury Financial Manual, Volume I, Part 5, Deposit Requirements, 1/06.

4. U.S. Department of Treasury, Supplement to the Treasury Financial Manual, Now That You're a Certifying Officer, 11/07.

5. General Accounting Office, Policy and Procedures Manual for Guidance of Federal Agencies, Title VII: Fiscal Guidance, 5/93.

6. U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Chapter 3, Collections and Deposits, 3/08.

7. U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Chapter 6, Cash Held Outside Treasury, 3/08.

8. U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Appendix H, Delegations of Authority: To Designate Certifying Officers And Cashiers; And To Perform Other Financial Responsibilities, 3/08.

9. U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Appendix I, Advance Decision For Certification Or Payment Of A Voucher; And Relief Of Liability For Accountable Officers, 3/08.

10. U.S. Department of Treasury, Treasury Financial Manual, Volume I, Part 4, Chapter 1100, Delegations and Designations of Authority for Disbursing Functions

08-04 WHAT IS AN ACCOUNTABLE OFFICER?

When government employees are entrusted with or statutorily made responsible for public funds, they in effect become trustees for the taxpayers. These "accountable officers" encompass such officials as authorized certifying officers, disbursing officers, collection officers, and other employees who by virtue of their employment are responsible for or have custody of government funds. These officials are personally liable for the loss or improper payment of the funds for which they are accountable.

08-05 WHAT IS A CERTIFYING OFFICER?

Ever since Congress created the Treasury Department in 1789, certain Government employees have been held accountable for Federal payments. Specific people, called certifying officers in civilian agencies, have responsibility to verify that payments made by the Federal Government are legal, proper and correct. The verification involves certifying a voucher upon which a disbursement will be made. As a certifying officer you may supervise a unit within an accounting or data processing organization. In addition to ensuring that payments are legal,

proper and correct, much of your time may be spent supervising accounting or payment processing.

08-06 DESIGNATION OF CERTIFYING OFFICERS

Certifying Officers are individuals to whom authority to approve disbursal of agency funds has been delegated, by a properly authorized designating official. The designating official must have a valid FMS Form 2958 on file with FMS, providing authority to designate Certifying Officers for the agency. FMS Form 210 must be prepared and submitted to FMS to designate an agency Certifying Officer. For Electronic Certification functions, an FMS Form 210ECS must be prepared and submitted to FMS, to facilitate assignment of ECS access.

Officials, other than Head of Agency, delegated designation authority for Certifying Officers, may not designate themselves as Certifying Officers. When it is necessary for such an individual to be designated as a Certifying Officer, the designation must be made by an official one level, or more, higher in the designation chain.

Voucher-schedules will not be accepted from a newly designated Certifying Officer until the effective date shown on the FMS Form 210 of the Certifying Officer.

Designations for Certifying Officers are valid for a period of two years from the effective date, unless revoked earlier. Two months prior to the expiration of the designation, FMS will notify the designating official of the pending expiration of the designation via a letter of notification of pre-expiration. Designations that are about to expire, and for which there are no changes in the details of the designation, may also be renewed by submission of an agency initiated letter of renewal, signed by an authorized Designating Official.

When an individual for whom a designation is on file with FMS departs or otherwise becomes ineligible to act, the responsible designating official will prepare and forward to FMS an FMS Form 210, revoking the designation of the departing/ineligible designee.

08-07 RESPONSIBILITIES OF CERTIFYING OFFICERS

As a certifying officer, you are responsible for the accuracy and legality of the payments made from Federal funds that you approve. Specifically, 31 U.S.C. 3528 states that you are:

- Responsible for any errors in certified payments.
- Responsible for making sure that the facts presented in certified documents for payment are complete and accurate.

- Responsible for illegal, improper or incorrect payments made by the Federal Government because you have made false, inaccurate or misleading certifications.

- Responsible for any payments made that are prohibited by law and that do not represent legal obligations under the appropriations or funds involved.

In addition, you must ensure that payments are in compliance with Executive Order 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.

In accordance with Treasury Financial Manual Volume I, Part 6, Section 8500, in the event of a large dollar disbursement, the Certifying Officer is responsible for submitting Large Dollar Notifications (LDN) to the FMS Cash Forecasting Division.

Title 31, Chapter 33, Subchapter II(d) U.S.C. 3325, further clarifies the Certifying Officer's responsibility by stipulating that each certified voucher submitted to a disbursing official should include the Taxpayer Identification Number (TIN) of each person to whom payment may be made under the voucher.

Certifying officers have a heavy burden of verification in order to avoid liability or qualify for relief. Therefore, in carrying out your responsibilities you should do the following:

- Properly supervise subordinates by establishing a system of procedures and controls which minimize opportunities for incorrect or improper payments and insure that the system is followed.

- Know that you have a right to request an advance decision when you have doubts about the legality of payments.

- Be alert to the possibility of voucher-schedules and supporting documents being processed a second time.

- Make use of the evidence that is available, e.g., fund availability certifications, and other documentation which would indicate that procedural safeguards regarding payment have been observed.

- Return payment vouchers that are inadequately documented to the appropriate administrative officials for proper approvals and supporting documents.

- Do not sign blank voucher forms.

Certifying officers are among the employees involved in the payment process who are required to make good any payments that are illegal, inaccurate or improper. If an outstanding liability remains as a result of a loss for which the certifying officer is liable, and there is not a request for relief or relief is requested and denied, the certifying officer becomes indebted to the United States for the amount involved. At this point, the agency can initiate collection action against the person in accordance with the law. If the person is still employed by the Government, the means of collection is mandatory withholding of pay.

In addition, the Civil Service Reform Act of 1978 states that "…employees should be separated who cannot or will not improve their performance to meet required standards." In another section, the Act says that employees may be reduced in grade or removed if their job performance is unacceptable.

08-08 WHAT IS A CASHIER?

A cashier is an officer or employee of the Federal government who is 1) designated as a cashier by an approving official, and is 2) authorized to disburse cash or carry-out other cash operations. There are three types of cashiers. A Class A Cashier is a cashier who is authorized to make disbursements but may not advance an imprest fund to another cashier, except to an alternate cashier. A Class B Cashier is a cashier who is authorized to make disbursements and may also advance funds to an alternate cashier or subcashier. A Class D Cashier is designated solely for change-making purposes.

08-9 DESIGNATION OF CASHIERS

Designation Approving officials can appoint a cashier by completing OF 211, Request for Change or Establishment of Imprest Fund (Request for Change form). Cashiers must be employed by NOAA. OF 211 no longer requires the signature of the servicing FMS Regional Finance Center.

Only one imprest fund may be established at any one location. When two or more Commerce organization units, within walking distance of each other, have a need for an imprest fund, an agreement should be made between the organization units to share a single fund.

The official file for cashier designations, including written justifications, will be maintained in the finance office or payment service center.

An alternate cashier should be designated for each principal cashier. The alternate cashier performs during the short absence of the cashier or when the volume of work requires the services of the alternate.

Sub-cashiers are not authorized to disburse funds in the same physical location as the principal and alternate cashier. Sub-cashiers may be used only for off-site disbursements.

Each newly designated cashier will be given the website address for this chapter of the Cash Management Policies and Procedures Handbook. For further references, consult Treasury's Cashiers Manual at the following address: http://www.fms.treas.gov/imprest

08-10 RESPONSIBILITIES OF CASHIERS

General responsibilities of a cashier are to make disbursements for official purposes and to maintain all official funds, i.e., funds paid out, cash-on-hand, and funds advanced to alternate and sub-cashiers.

It is the cashier's sole responsibility to disburse funds based on authorized and approved documentation. A cashier may perform other duties; however, unless justified by unusual circumstances and approved by the Director, Finance Office/Comptroller or the person having his/her delegation of authority, the cashier should be prohibited from performing the following activities:

- Collections, if justified by extenuating circumstances and approved, collections must be accounted for separately and never commingled with imprest funds.
- The pricing, billing, or maintaining of accounts receivable if the cashier is, in any way, involved in the collection of funds or in making adjustments in cash.
- The operation of more than one imprest fund at a time.
- The commitment of funds or the authority to approve purchases of goods and services.
- Other functions related to making cash disbursements.
- Determining, authorizing, or approving credits for return of or allowances for goods previously billed.
- Maintaining or controlling inventories or inventory records, or authorizing, approving, or handling the receipt or shipment of goods and services.

A daily reconciliation of cash and/or travelers checks is required by the cashier for those funds that have activity for the day. Any shortage or overage must be immediately investigated and reported through the cashier's supervisor to the Director, Finance Office/Comptroller if the fund is not promptly reconciled. On those days that replenishment is requested, the reconciliation will be satisfied by the completion of the "Status of Fund" block on the OF 1129, Cashier Reimbursement Voucher (see Chapter 11 of the NOAA Finance Handbook for more information on imprest funds replenishment). Documentation substantiating cash reconciliation should be retained until the next audit is performed.

A cashier is personally liable for the replacement of any shortages, losses, or misuses of funds entrusted to him/her through an imprest fund advance. A receipt log-book(s) by sub-voucher number should be maintained by the cashier. The cashier shall require each individual receiving cash/traveler's checks to sign the logbook next to the appropriate number. Cashiers should insist on proper authorization/approvals and accept original customer copy receipts, which may be in the form of a cash register tape, carbon copy, computer generated copy, a slip marked "customer copy," or a photocopy. If a photocopy is used, the employee must indicate in writing that this is the original and sign the receipt. Any authorizing documents with type-overs, white-outs, or other alterations must be rejected.

Each cashier is personally liable (legally responsible) for the funds that have been advanced to him/her until a proper and acceptable accounting has been made. Alternate cashiers and sub-cashiers are primarily responsible to the cashier who advanced funds to them. The cashier may refuse to make any disbursement that is not in strict accordance with Treasury or Department regulations. The cashier may not be coerced into making any disbursement where the propriety of the transaction is questionable. When the propriety of any disbursement is doubted, the cashier may require written acceptance of responsibility (a letter of recourse) from the official authorizing the disbursement.

The cashier should include the following statement with the approving official's signature when the disbursement is in doubt: "In the event this payment is disallowed by the certifying officer, I accept full responsibility of the amount of the disbursement (signature of approving official)." Such written acceptance of responsibility provides the cashier recourse to the official if the disbursement is later disallowed, but does not, in itself, relieve the cashier of responsibility for the disbursement. The cashier may also request an advance written opinion from the certifying officer as to the legality of a disbursement. If the certifying officer cannot decide the legality of the disbursement, the officer may submit the request in writing to the Director, Finance Office/Comptroller for a decision.

Whenever a loss or suspected impropriety is discovered, the cashier/verifier who becomes aware of the problem must report what is known to the Director, Finance Office/Comptroller, through the cashier's supervisor within three business days. The Finance Office will establish an account receivable, and bill the cashier for the amount of the shortage or loss. Collection action will not be pursued until an investigation has been completed and liability for the shortage or loss has been determined. Cash advanced by the cashier to other employees, i.e., interim receipts, (not including travel advances) and not cleared within five working days, must be handled and reported in the same manner as a shortage of a cashier.

An accountable officer or cashier may be relieved of the liability for the loss of funds, upon formal application, in the event of burglary and/or theft where reasonable and proper safeguards were exercised, the loss was reported and investigated, and there was no negligence on the cashier's part. For policies and procedures regarding requests for relief of liability, see section 12 below.

Whenever there has been a determination that a cashier is at fault for a loss of imprest funds, the Director, Finance Office/Comptroller shall be notified so that a bill for collection is issued and collection action can be pursued. Collection action must be taken by the Finance Office under the provisions of the Debt Collection Act of 1982, as amended, if requests by the cashier for immediate repayment are ignored. For specific inquiries regarding salary offset procedures, refer to the Department 's Credit and Debt Operating Standards and Procedures Handbook, Chapter 8,."*Delinquency Follow-Up*." If deficiencies in cashier advances are approved for relief, or if cashier deficiencies are determined to be uncollectible, the deficiency may be authorized to be charged to the appropriation(s) available for payment from the imprest fund.

If the deficiency cannot be related to a specific transaction or appropriation, the charge will be prorated based on the dollar volume of payments made through the imprest fund for each appropriation and/or fund. The charge will require the clearance of the finance officer.

Additional cashier responsibilities are contained in the U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Chapter 6, Cash Held Outside Treasury, 3/08 available at the following address: http://www.osec.doc.gov/ofm/cash/cover.htm

08-11 ADVANCE DECISION FOR CERTIFICATION OR PAYMENT OF A VOUCHER

When in doubt about the legality of authorizing the obligation or payment of government funds, Accountable Officers may protect themselves against liability for the approval, certification, or payment of illegal or improper vouchers by obtaining an advance decision pertaining to the voucher item(s) presented to them for approval, certification, or payment. A memorandum requesting an advance decision for an Accountable Officer, along with proper,

supporting documentation, should be prepared by the Accountable Officer's supervisor and addressed to the Director, Finance Office/Comptroller. After review, the request will be endorsed or rejected.

A request for an advance decision shall be approved and signed by the Director, Finance Office/Comptroller, or an official with delegated authority. The request for the advance decision, with supporting documentation, will then be submitted to the DOC Office of General Counsel.

A request for an advance decision shall be reviewed by the DOC Office of General Counsel. After review, the request will be endorsed or rejected. If endorsed, the request for advance decision, with supporting documentation, will then be forwarded to the DCFO.

In the course of making an advance decision, the DCFO shall consult with the DOC Office of General Counsel, Assistant General Counsel for Administration, and the Inspector General, as the case may be.

The Department will not seek to recover a payment from an Accountable Officer if that officer has obtained a favorable advance decision, or if the circumstances otherwise do not warrant bringing suit or otherwise seeking to recover a payment.

If circumstances related to the advance decision request indicate that the advance decision is beyond the purview of the DCFO, referral for further action will be pursued in accordance with the recommendations of the DOC Office of General Counsel, Assistant General Counsel for Administration.

Sections 3527, 3528, and 3529 of Title 31 of the United States Code authorizes the Comptroller General (CG) to issue advance decisions. However, the Department of Justice has opined that “the statutory mechanism is unconstitutional insofar as it purports to empower the Comptroller General to relieve executive branch officials from liability.” Accordingly, it is not appropriate to request advance decisions or seek relief from the CG. Furthermore, an opinion of the CG cannot itself absolve such officers from liability for the loss or improper payment of funds for which they are accountable.

08-12 REQUESTS FOR RELIEF OF CERTIFYING OFFICERS

Accountable Officers may protect themselves against liability for the approval, certification, or payment of illegal or improper vouchers by requesting relief of liability. A memorandum requesting relief of liability for an Accountable Officer, along with proper, supporting documentation, will be prepared by the Accountable Officer's supervisor and

addressed to the Director, Finance Office/Comptroller. After review, the request will be endorsed or rejected.

A request for relief of liability for an Accountable Officer shall be approved and signed by the Director, Finance Office/Comptroller, or an official with delegated authority. The request for the relief of liability, with supporting documentation, will then be submitted to the DOC Office of General Counsel.

A request for relief of liability for an Accountable Officer shall be reviewed by the DOC Office of General Counsel. After review, the request will be endorsed or rejected. If endorsed, the request for relief of liability, with supporting documentation, will then be forwarded to the DCFO.

In the course of making a decision regarding relief of liability for an Accountable Officer, the DCFO shall consult with the DOC Office of General Counsel, Assistant General Counsel for Administration, and the Inspector General, as the case may be.

If circumstances related to the relief of liability request indicate that the granting of relief is beyond the purview of the DCFO, referral for further action will be pursued in accordance with the recommendations of the DOC Office of General Counsel, Assistant General Counsel for Administration.

08-13 WHAT IS A COLLECTION OFFICIAL?

A collection official is an officer or employee of the Federal government who, by virtue of their official capacity, receive moneys on account of or for the custody of the United States, including donated, quasi-public, and unearned moneys.

08-14 RESPONSIBILITIES OF COLLECTION OFFICIALS

The deposit of all funds received for credit to the account of the U.S. Treasury should be made without delay. Depositors should limit their transmittals of deposits to one per day. Depositors may need to set an internal “cut-off” time when preparing deposits, and deposit on the following day all receipts processed after that time. To ensure that the maximum amount of funds is deposited each day, the depositor will establish a processing schedule to allow the deposits to reach the depositary before the depositary’s daily “cut-off” time.

Receipts of $5,000 or more will be deposited daily before the depositary “cut-off” time. Funds received too late to meet the depositary’s “cut-off” time must be deposited the next business day. Daily aggregate deposits (excluding Treasury check deposits) of $50 million or

more will be reported to Treasury on the day of the deposit. Report the name of the organization unit, the deposit amount, and the name and location of the depositary to Treasury's Financial Management Service Funds Control Branch via telephone (202)874-9790 or Fax (202)874-9945.

Receipts of less than $5,000 may be accumulated and deposited when the total reaches $5,000. However, deposits will be made by Thursday of each week regardless of the amount. In addition, collections shall be deposited according to Treasury procedures. Collections, which cannot be identified for credit to the proper account upon receipt, shall be deposited to the deposit fund suspense account until identification is made. Receipts of less than $5,000 should be deposited if facilities lack adequate safeguards against loss or theft and daily deposits are cost beneficial.

All collection officials shall keep proper records, provide adequate physical control over such funds, and place the collections under accounting control promptly after receipt. This includes donated, quasi-public, and unearned monies. Designated accountable officers shall account for all receipts and deposits.

Segregation of duties prevents the misuse of cash receipts and concealment of fraud in the accounting records. Special accounting controls are essential when sales or operating persons handle cash receipts. Persons responsible for handling cash receipts should not participate in the accounting or operating functions relating to the following activities:

- Shipping goods and billing for goods and services;
- Controlling accounts receivable and subsidiary ledgers;
- Preparing and mailing statements of balances due;
- Authorizing and approving credits for returns, and allowances or adjustments of amounts due; or
- Reconciling bank or Treasury reports with accounting records.

Official collections shall not be commingled with personal funds or used for cashing checks or money orders.

Collection officials shall maintain records for sufficiently identifying collections if requested. Control records shall disclose:

- Undeposited collections;

- Unacknowledged deposits in transit (to the depositary); and

- Deposits acknowledged by the depositary.

Proper control and accounting records shall be kept for checks and money orders received. When any collection official makes or receives collections for another agency, the collection official shall identify the collections in control records sufficiently to permit complete identification.

Collection officials shall, where possible, instruct payers to make checks and other negotiable instruments payable to NOAA. These instruments should generally not be made payable to the Treasury. However, any remittance payable to the Treasury should be accepted and processed. Collection officials should never instruct payers to make checks, money orders, or other instruments payable to individual officers or employees. In addition, units are to follow endorsement regulations in the Treasury Financial Manual (I TFM 5-2000).

Collections credited to appropriation and fund accounts must be proper and authorized by law or appropriate regulations. Collection officials must produce references to such authorizations if requested by the Government Accountability Office. Collection records for refunds and reimbursements will include descriptions sufficient for identifying the source of, or reason for, the collection.

Additional collection official responsibilities are contained in the U.S. Department of Commerce, Cash Management Policies and Procedures Handbook, Chapter 3, Collections and Deposits, 3/08.

08-15 EFFECTS ON OTHER ISSUANCES

This chapter supersedes Chapter 08 of the Finance Handbook dated August 17, 1981.