

CHANGE

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

2700.31 CHG 2

11/16/89

SUBJ: UNIFORM ACCOUNTING SYSTEM OPERATIONS MANUAL

1. PURPOSE. This change incorporates the change to the Debt Collection Act of 1982, the Prompt Payment Act requirements, and includes the requirements for the Federal Employees' Retirement System (FERS). These changes are implemented in the Uniform Accounting System (UAS).
2. DISTRIBUTION. This change is distributed to a selected audience which is directly concerned with accounting operations. This audience is addressed by Special Distribution List ZAA-387.
3. CANCELLATION. This change cancels:
 - a. Order 2700.12c, Materiel/Services Provided Others On A Billable Basis, dated August 8, 1975.
 - b. Order 2700.28, Fast Payment Procedures, dated February 11, 1983.
4. EXPLANATION OF CHANGES.
 - a. Adds new general ledger accounts 9015, 9025, 9026, 9035, and 9055 to incorporate requirements for FERS.
 - b. Adds new paragraphs 613-1, 613-2, and 613-3 to incorporate the Debt Collection Act of 1982 requirements.
 - c. Adds new paragraph 908 to incorporate procedures for end-of-year deobligation of permanent change-of-station cost.
 - d. Adds paragraph 1066 to incorporate the advance of pay procedures.
 - e. Adds Figures 9-1 and 9-1.1.
 - f. Changes paragraphs 567, 598, 611, and 613 to incorporate the Debt Collection Act of 1982.
 - g. Changes paragraphs 1063, 1069, and 1096 to incorporate the Cash Management/Prompt Payment requirements.
 - h. Deletes paragraphs 776 thru 799 to remove operating procedures no longer required in UAS.

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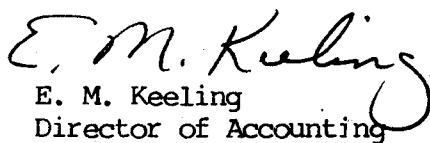
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xxix and xxx	7/16/87	xxix	7/16/87
		xxx	11/16/89
xxxiii	7/16/87	xxxiii	11/16/89
xxxiv	7/7/86	xxxiv	7/7/86
xxxv	7/16/87	xxxv	7/16/87
xxxvi	7/7/86	xxxvi	11/16/89
xxxvii	7/16/87	xxxvii	7/16/87
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		674	11/16/89
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		720-1 (and 720-2)	7/7/86
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		1804-2	7/7/86
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Director of Accounting

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FIGURE 5-1. GENERAL LEDGER CONTROL ACCOUNTS AND SUBSIDIARY RECORDS (CONT'D)

ACCOUNT NO.	ACCOUNT TITLE	DEBIT (DR)/ CREDIT (CR)	SUBSIDIARY ACCOUNT/RECORD DESCRIPTION
7050	Transfers Out - Advances	DR	Same as above.
7060	Transfers In - Advances	CR	Same as above.
7070	Transfers Out - Cash Payments	CR	Same as above.
7080	Transfers In - Cash Payments (NL Only)	DR	Same as above.
7110	Transfers Out - Deposit and Suspense Accounts	DR	Same as above.
7120	Transfers In - Deposit and Suspense Accounts	DR	Same as above.
7130	Transfers In - Direct Shipment	CR	Same as above.
7140	Transfers Out - Direct Shipment	DR	Same as above.
7150	Transfers Out - Cost	DR	Same as above.
7160	Transfers In - Cost	CR	Same as above.
7210	Transfers Out - Materiel	DR	Same as above.
7220	Transfers In - Materiel	CR	Same as above.
7301	Materiel Returns - For Depot Inventory	CR	No subsidiary accounts required.
7310	Materiel Returns to Depot	DR	No subsidiary accounts required.

FIGURE 5-1. GENERAL LEDGER CONTROL ACCOUNTS AND SUBSIDIARY RECORDS (CONT'D)

ACCOUNT NO.	ACCOUNT TITLE	DEBIT (DR)/ CREDIT (CR)	SUBSIDIARY ACCOUNT/RECORD DESCRIPTION
<u>STATISTICAL (9000-9999)</u>			
9010	Reciprocal Retirement Account - Office of Personnel Management	DR	No subsidiary accounts required.
* 9015	Reciprocal Retirement Account - Federal Employees' Retirement System (FERS)	DR	No subsidiary accounts required. *
9020	Employee Retirement Deductions - Prior Years	CR	Employee master records in the Uniform Payroll System file serve as subsidiary records to payroll sta- tistical accounts. The individual record for each employee contains detailed data on deductions for retirement, life insurance, and health benefits, as well as the Government contributions for the same.
9021	Employee Retirement Deductions, Military Service Credit - Prior Years	CR	No subsidiary accounts required.
9022	Employee Retirement Deductions, Civilian Service Credit - Prior Years	CR	No subsidiary accounts required.
* 9025	FERS Employee Retirement Deductions - Prior years	CR	Same as Account 9020.
9026	FERS Employee Retirement Deductions, Military Service Credit Deposits - Prior Years	CR	No subsidiary accounts required. *

FIGURE 5-1. GENERAL LEDGER CONTROL ACCOUNTS AND SUBSIDIARY RECORDS (CONT'D)

ACCOUNT NO.	ACCOUNT TITLE	DEBIT (DR)/ CREDIT (CR)	SUBSIDIARY ACCOUNT/RECORD DESCRIPTION
<u>STATISTICAL (9000-9999)</u>			
9030	Employee Retirement Deductions - Current Year	CR	No subsidiary accounts required.
9031	Employee Retirement Deductions, Military Service Credit - Current Year	CR	No subsidiary accounts required.
9032	Employee Retirement Deductions, Civilian Service Credit - Current Year	CR	No subsidiary accounts required.
* 9035	FERS Employee Retirement Deductions - Current Year	CR	No subsidiary accounts required.
9036	FERS Employee Retirement Deductions, Military Service Credit Deposits - Current Year	CR	No subsidiary accounts required. *
9040	Reciprocal Account - Government Employee Benefits Contribution	DR	No subsidiary accounts required.
9050	Government Contribution to Employee Retirement Fund	CR	Same as Account 9020.
* 9055	Government Contribution to Employee Retirement Fund - FERS	CR	Same as Account 9020. *
9060	Government Contribution to Employee Group Life Insurance	CR	Same as above.
9070	Government Contribution to Employee Health Benefits	CR	Same as above.
9080	Reciprocal Account - Employee Health Benefits and Life Insurance	DR	No subsidiary accounts required.

FIGURE 5-2. ACCOUNT DESCRIPTIONS (CONT'D)7210 Transfers Out - Materiel.

Debit Balance. Represents the cost of materiel transferred to other accounting offices. Account is supported by automated files of materiel transfer transactions and general ledger account transaction listings. Account is maintained by other.

7220 Transfers In - Materiel.

Credit Balance. Represents the cost of materiel transferred from other accounting offices. Account is supported by automated files of materiel transfer transactions and general ledger account transaction listings. Account is maintained by other.

7301 Materiel Returns - For Depot Inventory.

Credit Balance. Represents the value of materiel (other than Exchange and Repair which has been established as a due-in to the Depot) returned to Depot inventory by FAA field facilities. Account is supported by inventory records. Account is maintained by other.

7310 Materiel Returns to Depot.

Debit Balance. Represents the value of materiel (other than Exchange and Repair which has been established as a due-in by the Depot) returned to the Aeronautical Center Depot inventory by FAA field facilities. Account is supported by inventory records. Account is maintained by other.

9010 Reciprocal Retirement Account - Office of Personnel Management.

Debit Balance. Represents the accumulated retirement payroll deductions of current and prior years made from employees and deposited in the U.S. Treasury to the credit of the Retirement Disability Fund. This account and accounts 9020 and 9030, contra accounts to 9010, are prescribed in the Retirement Accounting Manual of the Office of Personnel Management. A single account is maintained by other for all of the retirement deductions of civil service employees regardless of the appropriations and funds to which their salaries are charged. Account is maintained by other.

* 9015 Reciprocal Retirement Account - Federal Employees' Retirement System (FERS).

Debit Balance. Represents the accumulated retirement payroll deductions of current and prior years made from employees and deposited in the U.S. Treasury to the credit of the Federal Employees' Retirement Fund. A single account is maintained by other for all of the retirement deductions of Federal employees who come under the FERS regardless of the appropriations and funds to which their salaries are charged. Account is maintained by other. *

FIGURE 5-2. ACCOUNT DESCRIPTIONS (CONT'D)9020 Employee Retirement Deductions, Ordinary Deductions - Prior Years.

Credit Balance. Represents the accumulated amount of civil service retirement deductions in prior calendar years to the credit of the employees in the organization. The account is supported by individual retirement records (SF-2806) in the payroll system. A single account is maintained by other for all of the prior period retirement deductions of civil service employees regardless of the appropriations and funds to which their salaries are charged. Account is maintained by other.

9021 Employee Retirement Deductions, Military Service Credit Deposits - Prior Years.

Credit Balance. Represents the accumulated amount of deductions made from employees' pay for military service retirement credit deposits in prior calendar years. The account is supported by individual retirement records (SF-2806) in the payroll system. Account is maintained by other.

9022 Employee Retirement Deductions, Civilian Service Credit Deposits - Prior Years.

Credit Balance. Represents the accumulated amount of deductions made from reemployed annuitants' pay for civilian service retirement credit deposits, applicable to the reemployment service, in prior calendar years. The account is supported by individual retirement records (SF-2806) in the payroll system. Account is maintained by other.

* 9025 FERS Employee Retirement Deductions - Prior Years.

Credit Balance. Represents the accumulated amount of Federal employee retirement deductions in prior calendar years to the credit of the employees in the organization. The account is supported by individual retirement records (SF-2806) in the payroll system. A single account is maintained for all of the prior period retirement deductions of civil service employees regardless of the appropriations and funds to which their salaries are charged. Account is maintained by other.

9026 FERS Employee Retirement Deductions, Military Service Credit Deposits - Prior Years.

Credit Balance. Represents the accumulated amount of Federal employee retirement deductions made from employees' pay for military service retirement credit deposits in prior calendar years. The amount is supported by individual retirement records (SF-2806) in the payroll system. Account is maintained by other. *

FIGURE 5-2. ACCOUNT DESCRIPTIONS (CONT'D)9030 Employee Retirement Deductions, Ordinary Deductions - Current Year.

Credit Balance. Represents the amount of the civil service retirement deductions entered on the individual earnings records during the current year. The account is supported by SF-1127, Individual Pay Cards, or similar records in the payroll system. A single account is maintained by other for all the current calendar year deductions of civil service employees regardless of the appropriations and funds to which their salaries are charged. Account is maintained by other.

9031 Employee Retirement Deductions, Military Service Credit Deposits - Current Year.

Credit Balance. Represents the amount deducted from employees' pay for military service retirement credit deposits during the current year. The account is supported by individual pay records in the payroll system. The balance of this account is transferred to account 9021, Employee Retirement Deductions, Military Service Credit Deposits - Prior Years, at the end of calendar year. Account is maintained by other.

9032 Employee Retirement Deductions, Civilian Service Credit Deposits - Current Year.

Credit Balance. Represents the amount deducted from employees' pay for civilian service retirement credit deposits during the current year. The account is supported by individual pay records in the payroll system. The balance of this account is transferred to account 9022, Employee Retirement Deductions, Civilian Service Credit Deposits - Prior Years, at the end of the calendar year. Account is maintained by other.

* 9035 FERS Employee Retirement Deductions - Current Year.

Credit Balance. Represents the amount of the FERS retirement deductions entered on the individual earnings records during the current year. The account is supported by individual pay records in the payroll system. A single account is maintained by other for all the current calendar year deductions of employees under FERS regardless of the appropriations and funds to which their salaries are charged. The balance of this account is transferred to the account 9025, FERS Employee Retirement Deductions - Prior Years, at the end of a calendar year. Account is maintained by other.

*

FIGURE 5-2. ACCOUNT DESCRIPTIONS (CONT'D)

* 9036 FERS Employee Retirement Deductions, Military Service Credit Deposits - Current Year.

Credit Balance. Represents the amount of the FERS retirement deductions from employees' pay for military service retirement credit deposits during the current year. The account is supported by individual pay records in the payroll system. The balance of this amount is transferred to account 9026, FERS Employee Retirement Deductions, Military Services Credit Deposits - Prior Years, at the end of the calendar year. Account is maintained by other. *

9040 Reciprocal Account - Government Employee Benefits Contributions.

Debit Balance. Represents the cumulative amount of retirement contributions, insurance contributions, and health benefits contributions made by the organization during the current year. This is a contra account to accounts 9050, 9060, and 9070. Account is maintained by other.

9050 Government Contribution to Employee Retirement Fund.

Credit Balance. Represents the cumulative amount of retirement contributions made by the organization during the current calendar year. The account is supported by payroll records. Account is maintained by other.

* 9055 Government Contribution to Employee Retirement Fund - FERS.

Credit Balance. Represents the cumulative amount of retirement contributions made by the organizations under FERS during the current calendar year. The account is supported by payroll records. Account is maintained by other. *

9060 Government Contribution to Employee Group Life Insurance.

Credit Balance. Represents the cumulative amount of insurance contributions made by the organization during the current calendar year. The account is supported by contributions for insurance reflected on payroll records. Account is maintained by other.

FIGURE 5-2. ACCOUNT DESCRIPTIONS (CONT'D)9070 Government Contribution to Employee Health Benefits.

Credit Balance. Represents the cumulative amount of health benefits contributions made by the organization during the current calendar year. The account is supported by contributions for health benefits reflected on payroll records. The account is maintained by other.

9080 Reciprocal Account - Employee Health Benefits and Life Insurance.

Debit Balance. Represents the cumulative amount of deductions from salaries of employees for health benefits and group life insurance payments during the current year. This is a contra account to Accounts 9090 and 9110. Account is maintained by other.

9090 Employee Group Life Insurance Deductions.

Credit Balance. Represents the amount deducted from employees salaries for group life insurance during the current calendar year. The account is supported by employee deductions for insurance reflected on payroll records. Account is maintained by other.

9110 Employee Health Benefits Deductions.

Credit Balance. Represents the amount deducted from employees salaries for health benefits during the current calendar year. The account is supported by employee deductions for health benefits reflected on payroll records. Account is maintained by other.

9210 Transfer to Treasury - Payment of Unclaimed Moneys.

Debit Balance. Represents accumulated amount of unclaimed moneys, which cannot be refunded because the individuals whereabouts are unknown, transferred to Treasury account 20X6133 from FAA deposit funds. Account is supported by a file of amounts owed individuals. Account is maintained by other.

9220 Liability - Payment of Unclaimed Moneys.

Credit Balance. Represents the accumulated amount of unclaimed moneys, which cannot be refunded because the individuals whereabouts are unknown, transferred to Treasury account 20X6133 from FAA deposit funds. The account is a contra account to 9210. Account is maintained by other.

9240 Refund of Moneys Erroneously Received and Covered.

Debit Balance. Represents the accumulated amounts for the current fiscal year of amounts refunded that were erroneously received and covered as miscellaneous receipts. Account is supported by receipt and disbursement records. Account is maintained by other.

FIGURE 6-37. CASH DEPOSIT FILE

TYPE FILE: Collection Documents.

FUNCTION: This file serves as permanent record of cash collections deposited with the U.S. Treasury Depository and entered into the FAA ADP system. It is used to reconcile the monthly SF-224 to the cash general ledger account and for research of cash collection transactions as required.

FILE SEQUENCE: SF-215 with schedules and supporting documents; other vouchers by FY, month, Certificate of Deposit (CD) type, consecutive number; confirmed CD's filed chronologically by date.

LIST OF DOCUMENTS:

<u>FORM No.</u>	<u>TITLE</u>
1. SF-215	Certificate of Deposit
* 2. SF-215C	Deposit Ticket *
3. SF-1017-G	Journal Voucher
4. SF-1097	Voucher and Schedule to Effect Correction of Errors
5. SF-1098	Supporting Documentation Schedule of Cancelled Checks
6. SF-1185	Schedule of Undeliverable Checks to Government Accounts
7. DOT F-2770.2	Record of Cash Receipts

FIGURE 6-38. ADVANCES RECEIVED FILE

TYPE FILE: Collection Documents.

FUNCTION: This file supports the balance in advance accounts. It also links those advances which may apply to two or more agreements. The file contains a memorandum record of the billing documents to which the advance has been applied.

FILE SEQUENCE: Appropriation and agreement number.

LIST OF DOCUMENTS:

<u>FORM No.</u>	<u>TITLE</u>
* Various	Supporting documents to advance

*

b. Refunds of Erroneous Payments to or for Employees. Public Law 497 (68 Stat. 482) provides for the recovery of erroneous payments made by the FAA to or on behalf of employees. These recoveries are generally receivable at the time discovered.

(1) Amounts Due From Employees. Employee indebtedness to the Federal Government can be offset against salary or other assets due the employee unless voluntary payments are made. Such claims will be recorded as employee receivables when the employee indebtedness becomes known.

(2) Determination of Erroneous Payment and Notification of Employee. When it is established through internal audit, GAO audit, GAO exception, or other means that an erroneous payment has been made, the employee's accounting office manager prepares a detailed statement of the facts and circumstances causing the erroneous payment and the amounts involved. The accounting office manager provides written notice to the employee involved. Recovery of the erroneous payment may be by cash repayment or by salary offset.

(3) Method of Repayment. The accounting office manager confers with the employee to determine the method of liquidating the indebtedness; i.e., by cash repayment or by fixing the number and amount of salary deductions that will effect repayment within a reasonable time. Such a determination is made with due regard to factors and circumstances of employment of each individual case. The repayment is done within a minimum period of time without creating undue hardship upon the employee. If the recovery of the erroneous payment cannot be done by agreement with the employee under the foregoing provisions, the accounting office manager directs collection by salary deductions. These deductions shall not exceed 15 percent of disposable pay unless written consent is provided. If the employee retires, resigns, or his employment is otherwise terminated before full repayment has been made, a final collection is made by setoff from any subsequent payment that is due the employee.

* (4) Employee's Rights. When it is determined that salary offset will be used to collect the debt, the employee is entitled to the following:

(a) A minimum of 30 days written notice, informing the debtor of the nature and the amount of the indebtedness, the intention of the agency to collect the debt through salary offset, and an explanation of the employee's rights;

(b) An opportunity to inspect and copy Government records relating to the debt;

(c) An opportunity to enter into a written repayment agreement with the agency; and

(d) An opportunity for a hearing on the agency's determination concerning the existence of the amount of the debt or the terms of the repayment schedule.

*

(5) Erroneous Payments Discovered After Separation. Erroneous payments discovered after an employee has left the FAA by transfer to another agency shall be recovered by solicitation of a cash settlement or the establishment of a setoff against payments due the employee by the other agency. If the employee has separated from Government service, recovery is by cash settlement or by setoff from retirement funds.

* (6) Collection by Administrative Offset From Retirement Funds. OPM may be requested to make the collection by offset from the employee's retirement fund. This method of collection is appropriate when the employee is separating from Government employment, the debt is \$100 or more, the employee failed to pay all of debt on demand, and the FAA has collected as much as possible from payments due the employee and by other means. The debtor should be notified that a claim is being sent to OPM to complete collection. *

(7) Writeoff of the Account Receivable. The account receivable should be written off after 6 months have elapsed. The records are maintained in an administrative file pending eventual recovery. See paragraph 614 for the accounting entries.

(8) Overpayments Which Are Not Recoverable. Unliquidated, unearned annual and sick leave does not constitute a valid indebtedness when the employee is separated by death or retirement for disability or when the employee is unable to return to duty because of disability evidenced by an acceptable medical certificate. Also, recovery is not required for illegal payment of dual compensation which has not been reported to the General Accounting Office for collection within 6 years from the period involved.

c. Refunds of Transportation Payments. See paragraphs 895 thru 900.

(1) Provisions of State Laws for Gasoline Refunds. Most States have enacted laws which exempt Federal agencies from payment of State taxes on gasoline. Several States provide for a partial refund of State taxes paid on gasoline used for nonhighway purposes. GSA Handbook, GSL P 5090.1, State Gasoline Tax Synopsis, lists the status of the Federal Government with regard to exemptions from payment or refund of gasoline taxes of all the States and cities and the State statutory authorities. This synopsis can be used as a guide to which State laws and regulations must be studied to determine possible recovery of gasoline taxes paid.

(2) Responsibility. It is the accounting office manager's responsibility to determine whether the FAA is exempt from payment or entitled to submit claims for gasoline tax refunds. Also, the accounting office manager must determine if the potential amount of the recoverable refund warrants the anticipated cost of maintaining records to identify such costs together with the costs of processing claims.

(2) Interagency Transactions.

(a) Reimbursable billings for goods and services furnished by FAA to another civilian agency.

(b) Advances to consolidated working fund accounts where arrangements or agreements for current billings and reimbursement are impractical.

(c) Advance payments required by law whereby a specific amount is transferred and merged with a specific account of another agency for goods and services furnished for the benefit of and to carry out the general purpose of the appropriation from which the transfer is made.

(d) Advance payments authorized by law in advance of delivery to certain revolving and working capital funds.

(e) Reimbursable billings for transportation, subsistence, and related costs of investigations of discrimination complaints conducted for other DOT administrations by DOT field investigators employed by FAA. SF 1081's are submitted to the DOT Office of Civil Rights, U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, which in turn forwards them to the accounting office of the applicable administration for payment.

(3) Preparation. Normally, the office which made the initial disbursements or expenditures prepares the SF 1081. However, in certain instances, the benefiting office may have firsthand knowledge of the transaction and initiates the transfer. Complete the "customer agency" or "billing agency" portion of the SF 1081, as applicable. Briefly and accurately describe the purpose of the withdrawal or credit. Attach all pertinent reference data which enables the receiving office to identify the transaction. Forward the SF 1081, together with supporting documents to the responsible office for completion of the "pay to" or "withdraw from" portion and/or certification. It is permissible for the originating office to perform the certification when funds are collected by one office on behalf of another. *

(4) Copies. Send the original, duplicate, and triplicate copies to the customer. The quadruplicate copy is retained by the billing office. Retained copies may be filed in alphabetical sequence or by bill number pending receipt of the accomplished copies of the SF 1081. In the case of reimbursable billings, file copies of all supporting documents in the agreement folder.

(5) Frequency. Where workload permits, SF 1081's are prepared and forwarded in the same month as the original transaction. If not practicable, they are prepared and forwarded in the following month and at the end of the fiscal year.

(6) Accounting Control. The retained billing copies of SF-1081 support General Ledger Account 1310, Accounts Receivable - Billed Reimbursements, Government; Account 1330, Accounts Receivable - Billed Refunds, Government; and Account 1351, Accounts Receivable - Billed, General Fund, Government.

d. SF-1114, Bill for Collection.

(1) General. Prepare the SF-1114 to bill debtors, other than U.S. Government agencies (i.e., public).

(2) Transactions Documented on the SF-1114. Billing transactions documented on SF-1114 usually will be for:

(a) International and overseas communication service.

(b) Rentals.

(c) Concessionaire agreements.

(d) Other income-producing agreements.

(e) Amounts due covering fees for registration and recordation of aircraft, copying, certification, and search of records.

(f) Excess weight and/or storage of household goods shipped by Government bill of lading (GBL) on permanent change-of-station (PCS) moves.

(g) Additional insurance taken on household goods shipped by GBL on PCS moves.

(h) Overpayments relating to travel claims.

(i) Salary overpayments upon separation for negative leave

*
balances.

*

* f. SF-2805, Request for Recovery of Debt Due the Federal Government. The Office of Personnel Management (OPM) is notified on the SF-2805 of amounts due the Federal Government by employees separated from the FAA. OPM offset may be requested when the debtor failed to pay all of the debt on demand, or the creditor agency has collected as much as possible from payments due the debtor. Preferably, but not necessarily, the request is made at the time the SF-2806, Individual Retirement Record, is forwarded to the OPM. *

(1) Preparation. The form is prepared in triplicate. The bottom portion of the form is completed by the Bureau of Retirement and Insurance examiner in the OPM. If the debtor agrees to the collection, a copy of the debtor's consent is attached to each copy of the SF-2805.

(2) Distribution. The original and duplicate are forwarded to the OPM. The triplicate copy is retained and filed in alphabetical sequence by debtor name together with the supporting documents.

(3) Accounting Support. The SF-2805 is usually prepared to recover the balance owed on an existing indebtedness to the Government for which a current account receivable has been established. There are instances when a debt is discovered after the employee is terminated from the FAA, and the Retirement Fund is the only recourse for collection. The SF-2805 is the basic support for entries to the general ledger accounts. In either event, such debts support entries to General Ledger Account 1340, Accounts Receivable - Billed Refunds, Public, and Account 1361, Accounts Receivable Billed - General Fund, Public.

(4) Liquidation. Usually the duplicate copy of the SF-2805 is returned indicating action taken or to be taken by OPM. This copy is filed with the triplicate copy pending disposition of the claim. If the claim cannot be settled immediately, such as when the setoff cannot be made until the individual applies for retirement, the account receivable is retained only for a period of 6 months from the date it was established. The account receivable is written off as prescribed in paragraph 614, but need not be reported to the General Accounting Office or the Internal Revenue Service. The records, including all copies of the SF-2805, are retained in a separate administrative file pending eventual setoff and recovery of the amount due.

* (5) Category of Claim. More specific procedures for claims to be collected by the OPM vary according to which one of five categories the claim falls into:

(a) Court Judgment. When the agency has a court judgment against the debtor specifying the amount of the debt to be recovered, the agency should send the SF-2805 (debt claim) and two certified copies of the judgment to OPM. *

* (b) Salary Offset. When the debt claim has previously been processed under 5 U.S.C. 5514 (salary offset), the agency should:

1 Notify the debtor that the claim is being sent to OPM to complete collection of the debt from the Fund.

2 Send the debt claim to OPM with two copies of the paying agency's certification of the amount collected and one copy of the notice to the debtor that the claim was sent to OPM.

(c) OPM Exceptions. Specific procedures approved by OPM should be followed for the collection of:

1 Debts due to the employee's failure to pay health benefits premiums while in a nonpay status or when salary was insufficient to cover the premiums; or

2 Unpaid Federal taxes to be collected by Internal Revenue Service levy.

(d) Fraud Claims. When a possible fraud claim has been sent to the Department of Justice (DOJ) and the debtor is separated or separates while the DOJ is reviewing the claim, the paying agency must send the SF-2806 to the OPM. The agency where the claim arose must send the OPM notice that a claim is pending at the DOJ. When there is a pending refund application at the OPM, the DOJ has 180 days from the earliest notification to the OPM by either the creditor agency or the DOJ to refer the claim to the agency where the claim arose for collection. If this occurs, the OPM will notify the agency to initiate administrative collection procedural requirements and the agency will have 120 days (with one 60-day extension) to submit a complete debt claim to the OPM. If a judgment is obtained against the debtor for the amount of the debt or the creditor agency submits a complete debt claim, the OPM will collect and pay the debt to the creditor agency.

(e) All Other Debts. The process for collecting any other type of debt includes:

1 Complying with the procedures required by 4 CFR 102.4, issuing written notice to the debtor of the nature and amount of the debt, the agency's intention to collect by offset, the opportunity to inspect and copy agency records pertaining to the debt, the opportunity to obtain review within the agency of the determination of indebtedness, and the opportunity to enter into a written agreement with the agency to repay the debt; and

2 Completing the appropriate debt claim. If the debtor requests a review or hearing, the review must be completed before the debt claim is submitted. If the debtor does not respond to the agency's notice, the agency may submit the debt claim to the OPM after certifying that notice was issued and the debtor failed to reply. If the debtor consents to the collection, the agency must send a copy of the debtor's consent along with the debt claim. *

* (6) Requirements for a Complete Debt Claim. Creditor agency must certify that:

- (a) The debt is owed to the Federal Government;
- (b) The amount, reason, and additional interest accrued for the debt;
- (c) The date the Government's right to collect the debt first accrued;
- (d) The agency has complied with the applicable statutes, regulations, and OPM procedures;
- (e) The agency will repay the debtor for amounts previously collected if ordered to do so by a competent administrative or judicial authority;
- (f) The amount or percentage of net annuity in each installment, when applicable;
- (g) The action(s) taken to comply with 4 CFR 102.3, including any hearing or review, and the date(s) the action(s) were taken, if:
 - 1 The debtor does not (in writing) consent to the offset; or
 - 2 The debtor does not (in writing) acknowledge receipt of the required notices and procedures; or
 - 3 The creditor's agency does not document a judgment offset or a previous salary offset.

(7) Notice of Debt. A notice of debt to the OPM will prevent payment of the lump-sum prior to the availability of a complete debt claim.

- (a) The notice to the OPM must include:
 - 1 A statement that the debt is owed to the United States;
 - 2 The date the debt first accrued;
 - 3 The basis for the debt; and
 - 4 The amount of the debt, if known. (If not known, the agency must establish the amount and notify the OPM in writing as soon as possible.)

*

*

(b) The notice to the OPM may be done by either:

1 Making a notation in column 8 (Remarks) under "Fiscal Record" on the SF-2806, Individual Retirement Record, or

2 Submitting a separate document identifying the debtor by name and giving date of birth, social security number, and date of separation, if known.

(8) Time Limits for Submitting Debt Claims. If the debtor has filed for a refund, the agency must file a complete debt claim within 120 days (with one additional 60-day extension allowed) of the date the OPM requests a complete debt claim. Otherwise, the only time limit is to file a debt claim before the statute of limitations expires or before a refund is paid.

(9) OPM Processing.

(a) Refunds - Incomplete debt claims. When the OPM has received a notice of debt and is awaiting a complete debt claim:

1 If the amount of the debt is known, the OPM will notify the debtor of the debt claim against his or her lump-sum credit, withhold the amount of the debt, and pay any balance to the debtor.

2 If the amount of the debt is not known, the OPM will not pay any amount to the debtor until the creditor agency certifies the amount of the debt, submits a complete debt claim, or the time limit for submission of the debt claim expires, whichever comes first.

(b) Refunds - Complete debt claims.

1 Debtor has applied for refund. If the refund has not yet been paid to the debtor, the debt will be collected from the refund and paid to the creditor agency, and any balance will be paid to the debtor.

2 Debtor has not applied for refund. The OPM will indefinitely retain the debt claim for future recovery provided the creditor agency initiated the administrative offset before the statute of limitations expired (generally within 10 years after the Government's right to collect first accrued).

3 Future Recovery.

(aa) When the OPM receives an application for refund within 1 year after the creditor agency's debt claim was received, the OPM will contact the creditor agency for an updated interest amount, when applicable. The debt will then be collected from the refund, and any balance paid to the debtor.

*

* (bb) When the OPM receives an application more than a year after receipt of the agency's debt claim, the OPM will contact the agency to verify that the debt is still outstanding and to obtain an updated interest amount, when appropriate. The agency has 60 days to give the debtor an opportunity to establish changed financial circumstances, if any, and to notify the OPM of its decision to either accept a repayment agreement offered by the debtor or to pursue offset.

(c) Annuities - Incomplete debt claims. The only time limit for the submission of a debt claim to be offset against an annuity is that the debt claim must be received within 10 years of the date the Government's right to collect first accrued. No offset will be done by the OPM until a complete debt claim has been received from the creditor agency.

(d) Annuities - Complete debt claims. When the OPM receives a complete debt claim and the debtor is receiving an annuity, the OPM will collect the debt by offset of the annuity. However, the OPM will offset no more than 50 percent of a net annuity payment unless a higher percentage is needed to satisfy a judgment against a debtor within 3 years or the annuitant has consented in writing to a higher percentage. If the debtor applies for an annuity more than 1 year after the agency's debt claim was submitted, the OPM will contact the agency to verify that the debt is still outstanding. If it is, the creditor agency should give the debtor the opportunity to establish changed financial circumstances and to offer a satisfactory repayment plan in lieu of offset. *

g. Internal Revenue Service Form 843, Claim. IRS Form 843, Claim, is used to bill the U.S. Department of the Treasury Internal Revenue Service for refund of Federal taxes applicable to gasoline used other than as a fuel in highway vehicles and FAA aircraft.

(1) Basis for Computing Claims.

(a) Claims are submitted on the basis of gasoline "used" for other than highway vehicles and FAA aircraft during the claim period. Issue slips and other work papers evidencing issues or usage of gasoline products are accumulated and filed during the accounting period.

(b) Gasoline delivered by the seller directly into the fuel tanks of other than highway vehicles and FAA aircraft may be considered "USED" when delivered. This applies to gasoline delivered into fuel tanks at the sites of generators, power plants, pumps, etc., where the fuel tanks are connected to the equipment and gasoline delivered cannot be diverted to other uses.

(2) Period for Filing Claims.

(a) The claim period may be for a quarter or a fiscal year. To claim on a quarterly basis, the amount of the refund for each quarter must be \$1,000 or more and must be filed not later than the last day of the month following the quarter end. File claims on a quarterly basis whenever possible.

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(b) Annual claims are filed not later than the 15th day of the fifth month after the close of the fiscal year.

(c) Any claims not filed for a quarter (regardless of reason) are filed in conjunction with the yearend claim.

(3) Preparation. Prepare IRS Form 843 in duplicate and complete all applicable blocks. In the space provided, enter the reason for requesting the refund, i.e., "Gasoline used other than as a fuel in highway vehicles and FAA aircraft;" and enter the total number of gallons used in stationary engines, mobile lounges, etc. Multiply the total number of gallons used, by the Federal tax per gallon, to obtain the tax refund claimed. The IRS Form 843 contains the information listed in IRS Publication No. 378, part I, section 10, items (1) and (2).

(4) Distribution.

(a) Original. Forward to the local Internal Revenue Service Center serving the FAA accounting office.

e. The procedures outlined below are prescribed for past due accounts receivable from foreign governments.

(1) For billings that remain uncollected for 60 days after the original billing date, send the first followup letter requesting payment signed by the operating accounting office manager to the appropriate Civil Aviation Assistance Group (CAAG), FAA representative, or American Embassy within the foreign country for presentation to the foreign government. The letter identifies the billing number, date, amount, and a brief description of the charges. Attach to the letter a copy of the original billing and the
* agreement. *

(2) For billings that remain uncollected for 90 days after the original billing date, send the second followup letter requesting payment. Follow the procedures set forth in subparagraph e(1) above, except do not attach a copy of the original billing and agreement, but do attach a copy of the first followup letter.

(3) For billings that remain uncollected for 120 days after the original billing date, send the third followup letter requesting payment. Follow the procedures set forth in subparagraph e(1) above, except do not attach a copy of the original billing agreement, but do attach a copy of the first and second followup letters. Effective with the 120-day letter, the operating accounting office will request collection assistance from API-18. Further correspondence with the CAAG, FAA representative, or American Embassy within the foreign country, the foreign government, and the Department of State are undertaken by API-18. If payments are received after the collection process has been transferred to API-18, the operating accounting office manager notifies API-18 and AAA-400 in writing.

(4) For billings that remain uncollected for 150 days after the original billing date, API-18 sends a telegraphic message to the foreign government through the CAAG, FAA representative, or the American Embassy. The message identifies the billing number, date, amount, and brief description of the charges and prior followup actions, and informs the foreign government that diplomatic assistance will be requested if payment is not received within 30 days.

(5) If collection has not been effected within 180 days from the original billing date, API-18 initiates a letter signed by AIA-1 to the Deputy Assistant Secretary for International Finance and Development, Room 2531, Department of State, Washington, D.C. 20520, requesting collection assistance.

(6) Two hundred and forty days after the original billing date and each 30 days thereafter, API-18 initiates followup action to determine the status of the Department of State's collection progress.

(7) Three hundred and sixty days after the original billing date, AIA-1 and API-18 evaluate the status of the delinquent account receivable and, based on available information, including the Department of State's collection attempts, determine what action is to be taken.

(8) API-18 keeps AAA-400 informed in writing on a monthly basis of the status of the collection process and advises AAA-400 what actions are to be taken, i.e., writeoffs, etc.

(9) API-18 keeps the Department of State advised of actions occurring on delinquent accounts referred to them for collection assistance.

(10) Foreign government delinquent accounts cannot be considered uncollectible until the Department of State advises the FAA that their collection efforts have been unsuccessful. When a foreign account receivable has been determined to be uncollectible, API-18 advises the operating accounting office to initiate writeoff procedures and, where appropriate, forwards the information to GAO for final disposition.

b. Penalty.

(1) Rate. The rate of 6-percent per annum shall be used to compute penalty charges. This rate applies to all delinquent debts subject to late charges.

(2) Method of Assessment. Penalty charges are assessed on the unpaid portion of basic charges and overhead remaining more than 90 days past due. Assessment of penalties corresponds with the billing cycle of the bill, i.e., monthly assessment, if the billing is on a monthly basis.

(3) Disposition. Upon collection, penalties are deposited in the Treasury general fund receipt account 691099, Fines, Penalties, and Forfeitures, Not Otherwise Classified (UAS Code GAG).

c. Administrative Charges.

(1) Rate. A standard fixed rate of \$12 per delinquent account per month is used. This rate is reviewed and updated periodically by AAA-400. The administrative charges are assessed when the debt becomes delinquent (30 days from the billing date for domestic debtors and 60 days for debtors with a foreign address). The administrative charges related to the aircraft loan guarantee program may be higher due to inclusion of the cost for factors other than account maintenance.

(2) Disposition. Upon collection, this portion of late charges is deposited in the Treasury general fund receipt account 691099, Fines, Penalties, and Forfeitures, Not Otherwise Classified (UAS Code GAG).

d. Waiver. The manager of each accounting office is authorized to waive late charges if the costs of collecting such amounts exceed the amounts to be collected.

e. Partial Payment. When a debt is paid in partial or installment payments, amounts received are applied first to outstanding penalty and administrative cost charges, second to accrued interest, third to overhead, and finally to outstanding principal.

613. COMPROMISE, SUSPENSION, OR TERMINATION OF COLLECTION ACTION. Public Law 89-508 provides that claims which do not exceed \$20,000 exclusive of interest may be compromised, suspended, or terminated by the Administrator or his designee.

* a. On a case-by-case basis, anticipated costs of required administrative hearing will be taken into consideration when determining whether to compromise or terminate collection of debts owed to the Federal Government pursuant to the Federal Claims Collection Standards, 4 C.F.R. Chapter II. However, those costs (like other kinds of administrative costs) should be included only when there is a substantial likelihood that they will actually be incurred in the particular case.

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* b. Accounting Offices should not consider the anticipated costs of administrative hearings or reviews when establishing minimum debt amounts and points of diminishing returns for their debt collection programs.

c. Accounting offices may, without conducting cost studies, provide that debts of \$1 or less that are owed to the Federal Government by Federal civilian and military personnel need not be collected. Similarly, refunds of \$1 or less that are owed to such personnel need not be paid, unless a specific claim for the refund is made.

613-1. MANDATORY FORGIVENESS OF INTEREST, PENALTY, AND ADMINISTRATIVE CHARGES. Interest, penalty, and administrative charges will not be assessed on delinquent debts in the following situations:

a. Where a mandatory waiver/review statute applies, interest and related late charges may not be assessed for the period during which collection action must be suspended, which is until either:

(1) The request for waiver/review has been considered; or

(2) The applicable time limit for making the waiver/review request has expired and the debtor, upon proper notice, has not made such a request.

b. To debts owed by State and local governments, and other Federal agencies.

c. To debts arising under contracts which were executed prior to, and were in effect on October 25, 1982, unless provisions for the charges are stated in the contract or in an amendment to the contract.

d. To debts where an applicable statute, regulation required by statute, loan agreement, or contract either prohibits such charges or explicitly fixes the charges that apply to the debt involved.

e. To debts or portions of debts which are paid within 30 days after the date on which interest began to accrue.

f. When collection of the underlying claim is terminated.

613-2. DISCRETIONARY FORGIVENESS OF INTEREST, PENALTY, AND ADMINISTRATIVE CHARGES. There are other situations where forgiveness of late charges (in full or in part) is discretionary rather than mandatory. The accounting office manager or his designee should evaluate such cases using the following criteria when determining whether forgiveness of interest, penalty, and/or administrative charges should be granted as being in the best interest of the Federal Government and in fairness to the debtor.

a. When the collection of interest, penalty, or administrative charges will jeopardize collection of the principal of the claim, and there is no indication of fraud, misrepresentation, fault, or lack of good faith by the debtor.

*

* b. While the FAA or GAO is considering a valid request for reconsideration, waiver, or administrative review under a "permissive" statute. This would be when it is not required that all requests for waiver or review be considered and when collection action pending consideration of the request is not prohibited. The review period begins on the date the request for review is received and ends 10 days after the final determination is mailed to the debtor. To qualify for forgiveness of late charges under this criterion, there must be no evidence of fraud, misrepresentation, fault, or lack of good faith on the part of the debtor. If it is apparent that the debtor's request for review is frivolous and was made primarily to delay collection efforts, interest, penalty, and administrative charges will not be forgiven while the request is being considered.

(1) Three factors in particular should be considered when deciding whether or not to suspend collection action and to discontinue assessing interest and related late charges pending action on a waiver or review request. While it is not necessary that all three factors be present in every case, suspension should not be automatic merely because any one of the three factors is present. The determination should be reasonable in relation to the circumstances of the particular case and justifiable in terms of these following three factors:

(a) There is a reasonable possibility that a waiver will be granted or that the debt (in whole or in part) will be found not owing from the debtor;

(b) The Government's interest would be protected, if suspension was granted, by reasonable assurance that the debt could be recovered if the debtor does not prevail; and

(c) Collection of the debt will cause undue hardship.

(2) The following special circumstances pertaining to reviews should generally be handled as follows:

(a) Where the debt is a result of the FAA's administrative error, late charges accruing during the review period may be waived unless the FAA's actions would have placed a reasonable person on notice that the FAA erred and that the person should inquire.

(b) Where the debt is a result of the debtor's error or negligence and the review is unreasonably protracted, late charges accruing during the protracted portion of the review period may be waived.

c. When the underlying claim is compromised due to:

(1) The debtor's inability to pay the full amount within a reasonable time.

(2) The refusal of the debtor to pay the claim in full and the Government's inability to enforce collection in full within a reasonable time by enforced collection proceedings.

(3) The cost of collecting the claim does not justify the enforced collection of the full amount.

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* d. When collection efforts are temporarily suspended on a claim due to the debtor's inability to pay at present but the debtor's future prospects justify retention of the claim for periodic review and action, penalty and administrative charges may be forgiven for the period of the suspension. However, interest will be assessed on the debts during the period that collection efforts are temporarily suspended. The debtor must provide the accounting office with verified documentation of his or her inability to pay. Examples of acceptable receiving welfare payments or a verified financial statement which clearly shows that the debtor has insufficient income and no assets to pay at present. Examples of instances where collection efforts may be suspended temporarily due to the debtor's inability to pay include the following:

- (1) Debtor is on welfare.
- (2) Debtor is unemployed and has insignificant assets to pay at present.
- (3) Debtor is incarcerated.
- (4) Debtor's estate is in probate.
- (5) Debtor is ill and does not have sufficient income to pay at present.

e. When a repayment agreement consisting of installment payments has been accepted:

(1) And the amount of the late charges in relation to the amount of reasonably affordable installment payments is so large that the debt may never be paid, interest, penalty, and administrative charges may be waived if there is no indication of fault or lack of good faith on the part of the debtor. Affordable installment payments are generally considered to be no less than \$25 per pay period or \$50 per month and no more than 15 percent of disposable pay or income, and they should lead to liquidation of the debt in 3 years or less. Late charges forgiven may pertain to charges assessed prior to the acceptance of the repayment agreement or during the term of the repayment agreement.

(2) In establishing a repayment agreement to collect an overpayment or erroneous payment, interest, penalty, and administrative charges will not be assessed provided there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the debtor. However, late charges, as applicable, will be assessed in the event the debtor defaults on the agreement. In such cases, charges which accrued but were not collected under the defaulted agreement shall be added to the principal to be paid under a new repayment agreement.

f. Where the cost of collecting the unpaid interest, penalty, and administrative costs would approach or exceed the amount of unpaid late charges to be collected.

*

* g. Where the agency's enforcement policy in terms of deterrence and securing compliance, both present and future, will be adequately served by forgiveness of interest, penalty, and/or administrative charges. Mere incidental or technical violations may be dealt with less severely than willful and substantial violations.

h. When collection of the underlying claim is terminated because it has become clear that the Government cannot collect or enforce collection of any significant sum from the debtor because; (1) there are other judicial remedies available to the Government; (2) the debtor has future financial prospects, and (3) the debtor has exemptions available under State and Federal law.

i. For reasons of equity or good conscience. Examples include, but are not limited to, situations where, without fault or bad faith, the debtor could not submit payment within 30 days of the interest accrual date due to such factors as:

(1) Postal service delays in forwarding the notice of indebtedness to a new address;

(2) Late receipt of the notice of indebtedness where the debtor was away from home attending college, on an extended vacation, or hospitalized.

613-3. DOCUMENTARY SUPPORT OF FORGIVENESS. When interest, penalty, and/or administrative charges previously assessed are waived, they shall be reversed off the accounting records rather than written off as a bad debt. Except for debts from State, local, or other Federal Government agencies, the accounting office will support each forgiveness of late charges with a memorandum containing a brief narrative statement describing the circumstances leading to the waiver and citing the applicable criteria described in the above paragraphs which were used in making the forgiveness decision. The statement will be dated and signed by the person responsible for its preparation and by the accounting office manager.

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614. UNCOLLECTIBLE ACCOUNTS.

a. Allowance for Uncollectible Accounts. Periodically, but at least once each quarter, the accounting office reviews outstanding accounts receivable to determine those on which collection is uncertain. Accounts receivable from agencies of the Federal Government are always considered collectible. A collection is considered uncertain after 5 months have elapsed without collection of a billing to foreign governments or after 90 days have elapsed without collection of a billing to other nongovernment debtors. In such cases, the accounting office establishes an allowance for uncollectible accounts. The Allowance for Uncollectible Accounts - Public (Account 1370) is treated as an offset to the total amount of accounts receivable.

b. Writeoff of Uncollectible Accounts. When the debtor is unwilling or unable to pay, or if for other reasons it appears that the account is uncollectible, further collection efforts should normally be terminated and the account receivable should be written off.

(1) Recording Writeoffs. When a decision is reached to write off the account as uncollectible, prepare an SF 1017-G, Journal Voucher. The SF 1017-G documents billed receivables written off for appropriation reimbursements and refunds and receivables written off from the general fund receipt account.

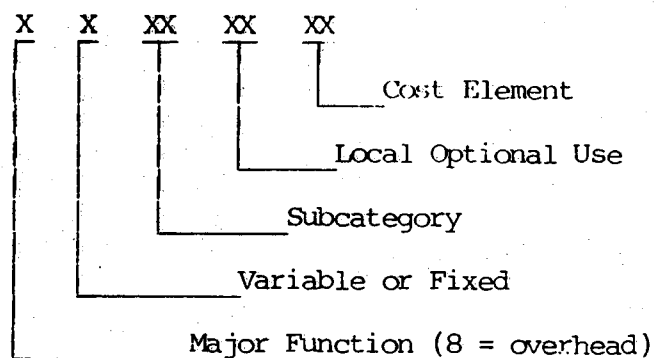
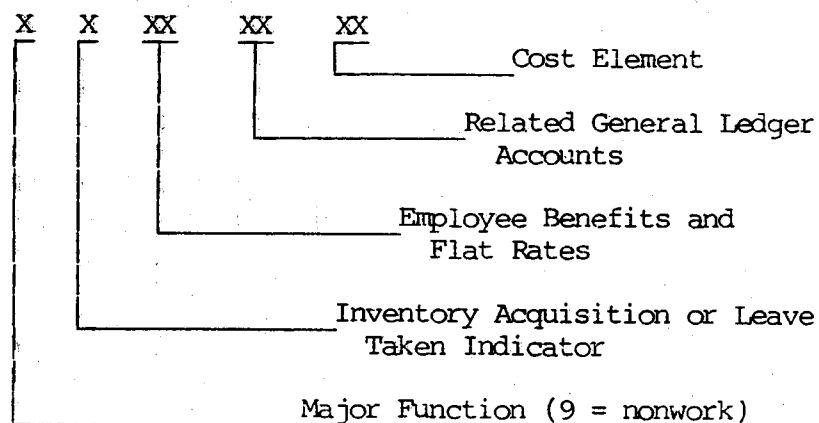
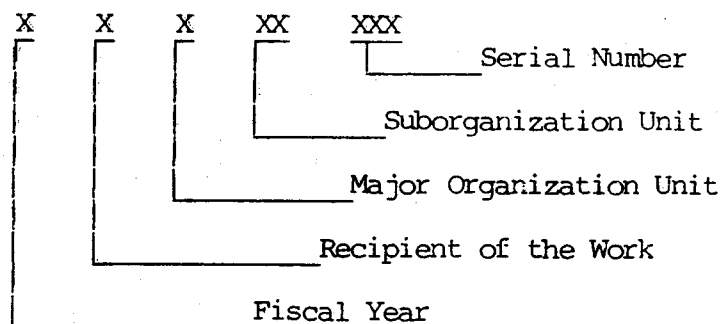
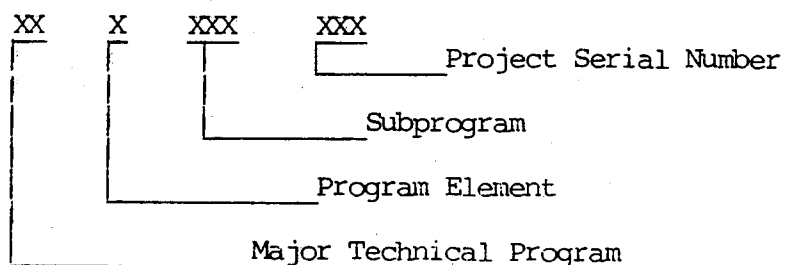
* (2) Responsibility for Terminating Collection Action. The decision to terminate collection action for claims of not more than \$20,000 is made by the regional or center directors or the administrative services officer if this authority has been redelegated. Within FAA headquarters, the final decision to terminate collection action is made by the Director of Accounting. Accounts receivable from foreign governments are written off only after notification from the Department of State that collection efforts have failed. This subparagraph does not extend to claims which must be referred to the General Accounting Office for adjudication or to the Department of Justice for litigation in accordance with 4 CFR 105. *

(3) Claim Files. When a claim is finally written off locally, the claim files must include, for GAO and internal audit purposes, a complete historical record of the claim. This record must clearly show at least the following:

(a) Origin of the debt.

(b) All actions taken to make collection.

* (c) Reasons for declaring the debt uncollectible and approval of the region or center director or the administrative services officer as appropriate. *

(d) Overhead Work.(e) Nonwork.(4) FAA Depot Production Control System.(5) FAA Technical Center Program Cost Accounting System.

773. COST ESTIMATES.

a. Predetermined Rates. In job order cost systems, predetermined rates may be used to estimate the cost of performing a service, carrying out an activity, completing a unit of work, or a specific project. Predetermined rates are based on estimates or a more scientific method known as standard cost. Standard costs are usually determined based upon engineering estimates or time studies with subsequent verification and conformation based upon accounting data. Some of the advantages for using predetermined rates rather than actual rates are:

(1) Smooth cyclical or seasonal fluctuations in such costs as leave, utilities, etc.

(2) Facilitate cost planning control.

(3) Eliminate time lags required to accumulate and report actual cost by determining costs in advance of performance.

b. Requirement. A major requirement associated with the use of predetermined rates is the need for variance analysis to explain differences in costs actually incurred and costs applied to jobs. The analysis and disposition of variances are described in paragraph 766.

774. RELATIONSHIP TO GENERAL LEDGER. The integration of the cost systems with the UAS general ledger provides control over sources and elements of cost data maintained in the cost accounting records. The integration is done through using controlling accounts such as inventory, work in process, and cost of sales. Summary totals are maintained by the UAS general ledger. The details supporting these summary totals are in each cost system.

775. RELATIONSHIP TO REVENUE SYSTEM. The FAA cost accounting systems identify costs associated with activities performed for Federal and non-Federal parties. The nature of the activities performed is defined in either a reimbursable agreement or a contract. Reimbursable agreements are used between FAA and its Federal customers. A contract shall be used when a non-Federal party is involved. Revenue systems have been designed to recover the costs associated with performance of these activities.

* 776.-799. RESERVED.

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(l) Location - Identifier. See GSA address code.

(m) Ownership Code. Manually listed (reference FAA Order 4250.2A, Facility Equipment Records).

(n) Action Date. Mechanically listed. The mechanically listed action date is changed and a new action date substituted mechanically during processing.

* (o) WITHDRAWN — CHG 2. *

(p) Fund Source Code. Mechanically listed, but it is mechanically eliminated during project completion.

(q) Transaction Code. Mechanically listed, but it is marked out and transaction code 02, Transfer to In-Use, substituted by manual annotation.

(r) Facility Type Code. Manually annotated. For completed projects, the appropriate model code (facility/equipment configuration) is substituted for the fifth digit by manual annotation. Note that in the F&E system, this code identifies reimbursable, NAS, etc.

(s) Asset Classification Code (AT CD). Manually listed. The applicable code used is described below.

	11	Office Furniture, Machines, and Equipment	
	12	Motor Vehicles, General Purpose	
	13	Printing and Photographic Equipment	
	14	Medical Equipment	
	15	Clothing, Protective, and Survival Equipment	
	16	Household Equipment and Furnishings	
*	17	Automated Data Processing Equipment	
	20	Prototype and Experimental Equipment	
	21	Research and Development Test Equipment	*
	41	Off-Road Special Purpose Vehicles	
	42	Marine Equipment	
	43	Shop Equipment	
	44	Commissary, Messing, and Domestic Service Equipment	
	45	Equipment Not Otherwise Classified	
*	46	Emergency Readiness Equipment	
	47	Training Equipment	*
	61	Facility Electronic, Electrical, or Mechanical Equipment Installed at Air Navigation or Traffic Control Facilities	
	62	Facility Portable Test Equipment	
*	63	Facility Rack Mounted Test Equipment	
	64	Portable and Installed Communications Equipment	
	81	Aircraft, Electrical, and Mechanical Equipment	
	82	Avionics Equipment	
	83	Aircraft Test Equipment, Portable and Installed	*

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(t) Document Number. Mechanically listed, but it is marked out and the project completion document number substituted by manual annotation.

(u) Batch Number. Mechanically listed, but it is mechanically changed to the new batch control ticket number used to control the processing of the project completion batches.

(v) Processing Code (PC). Mechanically listed as PC 2, 4, or 9, but it is manually changed to PC 5 to indicate project completions.

(w) Year Manufactured. This code is mechanically inserted by the Data Processing Branch on the in-use record to identify the calendar year placed in use.

(2) Administrative Property. Administrative property is closed off the PMC Report in the same manner as facility equipment.

c. Processing - Real Property.

(1) General. Upon receipt of a notice of completion and supporting documents, the accounting office:

(a) Assures that the total costs for real property are identifiable and are in agreement with the costs reported on the Report of Completed Projects, Work in Process, Accrued Costs, and Related Data (1637 Report), RIS: 32-9F, and with the percentages and dollar values shown on the notice of completion.

(b) Verifies that any variances between real property costs reported by the real property accountable officer and those on the cost reports are supported by an FAA Form 4640-1, Adjustment Voucher, prepared by the real property accountable officer.

(c) Verifies that an FAA Form 4660-10, Real Property Record (RPR), accompanies the notice of completion.

(d) Immediately contacts the real property accountable officer and requests RPR's be prepared and forwarded within 30 days, if the RPR's are not received with the notice of completion.

(2) Adjustments to Land Acquisitions. Additional charges for clearing, drainage, removal of structures, etc., may be incurred after the land is recorded. In these cases, a notice of completion and a revised RPR, if applicable, are received from the real property accountable officer. Then:

(a) Extract the additional dollar amounts applicable to the work performed from the 32-9F report.

(b) Verify that the total costs shown on the RPR's agree with those reported on the F&E cost reports.

(c) Record the adjustment in General Ledger Account 1610, Land.

(3) Leasehold Improvements. Improvements to leased property are capitalized as fixed assets. They are processed in a manner similar to other completed projects. A mechanized property record is not prescribed for this type of real property.

- * 902. OBLIGATION ADJUSTMENT PROCESS. Recording obligations based upon transportation requests, Government bills of lading, and estimates of amounts to be reimbursed to Government employees and others is the most practical method of recording obligations. However, adjustments are required at yearend to place obligations on an earned basis, thus complying with the provisions of 35 Comptroller General 183. For TDY travel, adjustments are made at yearend to reflect valid obligation amounts for which vouchers have not been submitted nor an individual travel order obligation made. The adjustments are based on verification reports of actual unvouchered travel submitted at yearend by all organizations. *

903. CLAIMS FOR REIMBURSEMENT OF LOCAL TRAVEL EXPENSES. Local travel expenses are those incurred for travel performed without written orders and usually within boundaries which do not exceed the geographic limits of local public transportation service. Local travel is authorized orally by any supervisor who has been delegated such authority. Written travel orders are not required. Approval of the SF-1164, Reimbursement Voucher, is adequate.

904. WITHHOLDING FEDERAL INCOME TAX ON REIMBURSEMENT FOR CERTAIN EXPENSES. Treasury regulations provide for withholding Federal income tax from certain payments covering reimbursement for moving expenses related to a permanent change of station. The requirements include the following conditions.

a. The aggregate amount reimbursed in excess of \$1,500 for any house-hunting trip and temporary quarters.

b. The aggregate amount reimbursed in excess of \$3,000 for the sale and/or purchase of a residence or lease expenses, reduced by the aggregate amount reimbursed (not in excess of \$1,000) for the house-hunting trip and temporary quarters.

c. Allowances for miscellaneous moving expenses.

d. State Income Tax. It is not considered practical to withhold State income tax from reimbursements and allowances involving a permanent change of station.

905. INTERFACE WITH PAYROLL SYSTEM. There is a manual interface with the payroll system for recording moving expenses and withholding taxes related to such expenses. These items are appropriately posted to the Consolidated Uniform Payroll System and reflected on the employee's W-2 and payroll record.

906. PROCESSING OF OBLIGATIONS FOR THE TRANSPORTATION OF THINGS. Obligations for transportation of Government property and supplies for which a Government bill of lading is issued are initially entered at the accrued expenditure stage. Locally administered commercial contracts and intragovernmental orders for specific transportation for which accrued expenditures can feasibly be accounted for based on transportation services performed are initially entered at the undelivered order stage if performance does not occur within the same reporting period. Recording procedures for contractual services apply for recording commercial contracts for transportation at the undelivered order stage.

907. RECORDING TRAVEL OBLIGATIONS. The following procedure is used for recording travel obligations.

a. During the first month of each fiscal year, an estimated amount representing average monthly unvouchered travel for open order authorizations is recorded as an obligation. Once established, this amount is not adjusted except to reflect significant changes in travel patterns. Further, this amount is not reduced when travel vouchers are received for processing and payment during the fiscal year. At fiscal yearend, this amount is revised to reflect valid obligation amounts for which vouchers have not been submitted.

b. Reports showing the amounts initially established, adjustments to the initial recordation, and the final yearend accrual are provided to the servicing accounting office by headquarters offices and services and appropriate organizations in regions and centers. Adjustments due to changes in travel plans are submitted to the servicing accounting office at the earliest possible date. Specific report procedures are prescribed by each operating accounting office. The initial estimate is based on travel obligation and voucher submission experience during the preceding fiscal year. This estimate is adjusted to reflect current fiscal year travel plans. Generally, organizations with employees in continuous or frequent travel status should submit estimates showing average monthly unvouchered travel for the new fiscal year. Organizations whose employees travel infrequently (or whose average unvouchered travel is insignificant) need not submit estimates. Organizations whose employees travel infrequently are urged to submit vouchers immediately on completion of trips. This ensures travel obligations are recognized in the month the travel is performed. The average monthly unvouchered travel estimates are identified to appropriation charged. However, adjustments are required at yearend to place obligations on an earned basis, thus complying with the provision of 35 Comptroller General 183.

908. END-OF-YEAR DEOBLIGATION OF PCS COST ESTIMATES.

a. Regional/center accounting and budget offices are authorized to conduct jointly a study to obtain statistics on actual expenditures from completed PCS moves and develop average estimates for use on PCS travel orders. Averages may be at the regional/center level or division level as appropriate. *

* The PCS cost estimate averages should be issued each July by memorandum from the regional/center budget office to applicable program offices for their use in completing PCS travel orders. Averages must be reevaluated and reissued at least annually.

b. Prior to the end of each fiscal year, the budget division is authorized to issue a memorandum to the accounting office to deobligate PCS travel estimates at the division level, where appropriate, to a level consistent with obligations in prior years. The deobligations should occur by the end of July to allow sufficient time for using the increased obligational authority.

c. Authority to deobligate PCS cost estimates at the division level and the use of average PCS cost estimates on travel orders is at the discretion of each region and center and may not be taken as authority for obligations to exceed control levels established for Anti-Deficiency Act purposes.

909.-931. RESERVED.

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1059. WORKING CAPITAL FUND.

a. The Department of Transportation (DOT) Working Capital Fund finances a variety of goods and services to operating administrations within the Department. These activities are centralized in the fund for cost and labor efficiencies. They include printing and photographic services, travel, passport, library services, computer time-sharing, and other services.

b. FAA can advance funds quarterly to DOT or make an annual advance. The advance is based on the estimated cost of services to be performed during the period covered as determined by DOT. The advance is made on an SF-1081, Voucher and Schedule of Withdrawals and Credits.

c. When DOT submits the monthly statement of charges incurred against the advance, the expense is recorded and the outstanding advance amount reduced.

d. Additional details on the financial policy affecting the DOT Working Capital Fund can be found in FAA Order WA 2400.1B, Department of Transportation Working Capital Fund Financial Policy.

1060.-1062. RESERVED.SECTION 5. PAYMENTS FOR PERSONAL SERVICES

1063. GENERAL. Payments for personal services are either mailed by check to the employee's home address or deposited to the employee's bank account. In normal situations, FAA and other DOT employees are paid through the Consolidated Uniform Payroll System (CUPS). Supplemental payments are generally paid outside the CUPS.

* 1064. PAYMENTS THROUGH THE CUPS. Payments through the CUPS are accomplished by the CUPS Operations Branch located at the Mike Monroney Aeronautical Center (AAC) in Oklahoma City. The CUPS Operations Branch transmits a computer-generated SF-1166, Voucher and Schedule of Payments, for payroll disbursement transactions to the Treasury. These disbursements include employee's salary check; bond purchase payments; payments to financial institutions; employee savings allotments; Combined Federal Campaign contributions; labor organization dues; retirement deductions; life and health insurance payments; Federal, State, and local taxes; and lump-sum annual leave payments to separated and retired employees. A biweekly CUPS/UAS interface generates the transaction codes to record the payments in the general ledger file. The transaction data is summarized at the appropriation/limitation, program element, cost center, and object subclass levels. The effective date of the entries is the Tuesday after the pay calculation cycle. This coincides with the Treasury's effective date of payment.

1065. SUPPLEMENTAL PAYMENTS OUTSIDE THE CUPS. To maintain flexibility in the CUPS, certain payments are made outside of the CUPS. These include cash awards or wages to a new employee whose employee master record has not been established. In many cases, supplemental payments processed outside of the CUPS are paid by separate check by the payroll office initiating the transaction. Each accounting office is responsible for processing supplemental payments. *

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The local payroll office manually calculates the payments and prepares an SF-1166 citing the centralized agency station symbol. The accounting office sends the certified SF-1166 directly to the nearest Treasury financial center. The confirmed copy of the SF-1166 is forwarded by this financial center to the UAS Control Group at AAC after payment is made.

a. Locally disbursed supplemental payments are processed by the accounting office (which also records the net amount paid only in UAS) using the employee social security number (SSN) in the document number portion of the document ID.

b. When the payroll interface occurs, the total amount charged to appropriations is batched from the CUPS biweekly report file. This file includes supplemental payments. To offset duplication when there is a match on SSN and related accounting classification data, a record is automatically generated for the net payment amount. This reverses the original entry made by the accounting office. A biweekly report titled "Report of Supplemental Payments and Cancelled Checks" is used to reconcile payroll interface and supplemental payments. Corrections or adjustments are entered through CUPS during the following pay cycle.

* 1066. ADVANCE OF PAY. Following are procedures for issuing, recording, and controlling advance of pay to employees assigned to a post in a foreign area.

a. The following terms are defined:

(1) Foreign area is any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, and the possessions of the United States.

(2) Pay is the basic compensation of an employee exclusive of all allowances, differentials, or additional compensation. It is the net compensation (gross pay minus mandatory deductions) covering a biweekly pay period.

(3) Post is the place designated as the official duty station of the employee.

b. Form JF-55, Request and Voucher for Advance Pay, should be included in those documents provided to an employee assigned to a post in a foreign area. Additional forms are available from the Administrative Systems and Overseas Support Staff, API-19. This form is not included in FAA's distribution system, and local reproduction is authorized. An illustrated exhibit with instructions for completing this form is shown in Figure 9-1, page 1786-3 and Figure 9-1.2, page 1786-4.

c. An employee assigned to a post in a foreign area is entitled to receive an advance of pay not to exceed the amount of his/her pay for six pay periods. The accounting office that services the employee at the new duty station will issue the advance of pay. An employee is responsible for forwarding the necessary documents to the gaining accounting office in a timeframe that will *

* allow for payment on the date required. Accounting offices will not process an employee's request for advance of pay received more than 30 days before departure or more than 60 days after the arrival at the new assignment. The following documents are needed to process an advance of pay:

- (1) An approved copy of the employee's travel orders.
- (2) The original copy of Form JF-55. With the exception of blocks 2 and 4, the employee will complete blocks 1 through 8.
- (3) A copy of the employee's latest statement of earnings and leave.

d. The maximum advance of pay is calculated on the basis of the employee's base biweekly salary less mandatory deductions. Before Form JF-55 is certified for payment, the gaining accounting office will review this form to ensure that the requested advance of pay does not exceed the employee's allowable amount. This is determined based on the employee's latest statement of earnings and leave. An employee can request an advance less than the maximum amount allowed. The advance is charged to the appropriation from which the employee's regular salary is paid. An employee who has an outstanding balance from a previous advance can receive a new advance upon reassignment to another post in a foreign area. The total unpaid balance plus the new advance cannot exceed the employee's net pay for six pay periods.

e. Advance payments are recorded in the general ledger account 1235, Salary Advance to Employees, using the transaction code 176. The accounting office will forward two copies of the Form JF-55 to the servicing payroll office to support the offset against the employee's salary.

f. A pay advance shall be recouped through payroll deductions not to exceed 18 pay periods. Salary deductions will commence during the second full pay period following the employee's arrival at his/her new duty station. In the event an employee defaults on repayment, the unpaid balance of the advance pay will be converted to an account receivable and subject to provisions of the Debt Collection Act.

g. When an assignment to a foreign area is cancelled at the convenience of an employee, the outstanding balance of the advance is due immediately. Advance pay is an indebtedness due the Federal Government and deductions precede other voluntary deductions including allotments and assignments of pay. *

* FIGURE 9-1. FORM JF-55, REQUEST AND VOUCHER FOR ADVANCE PAY

REQUEST AND VOUCHER FOR ADVANCE PAY Upon Assignment to a Foreign Area			
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">1</div> <div style="text-align: center;"> Federal Aviation Administration Agency </div> </div>			
1. NAME (Last, First, Middle Initial) Doe, John R.		2. VOUCHER NO. 2	
3. MAILING ADDRESS FOR CHECK (Including ZIP Code) First American Bank of Houston 1970 Fannin Street Acct. of John/Mary Doe Houston, Texas 77002 #45610338		4. SCHEDULE NO. 3	
5. TRAVEL AUTHORIZATION NUMBER ATR-100-86-005		6. DATE 7/16/86	
7. SOCIAL SECURITY NUMBER/EMPLOYEE NUMBER 467-45-9823			
<p>8. In connection with my assignment to <u>The Hague</u> I hereby make a request for advance of pay. Attached is a copy of my latest earnings statement.</p> <p>Ceiling: Up to 6 pay periods of gross pay minus mandatory deductions may be requested. An amount less than ceiling may be requested (Ref. 4 FAM 548).</p> <p>Repayment of this advance is to be made by payroll deduction over a period not to exceed 18 pay periods. I will maintain other voluntary deductions such as allotments in amounts so as not to delay repayment of this advance.</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <u>\$4,500.00</u> Amount of request </div> <div style="text-align: center;"> <u>\$250.00</u> Biweekly repayment </div> <div style="text-align: center;"> <u>18</u> Number of repayment pay periods (18 pay periods or less) </div> </div> <p style="margin-top: 10px;">I certify that this request is true and correct to the best of my knowledge and belief, and that payment or credit has not been received by me.</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> Authorized Employee <u>John R. Doe</u> (Signature) </div> <div style="width: 35%;"> Date <u>August 2, 1986</u> </div> </div>			
<p>NOTE: Falsification of an item in an expense account works a forfeiture claim (28 U.S.C. 2514) and may result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both (18 U.S.C. 287, 1.d. 1001).</p> <p>Privacy Act Statement: The solicitation of this information is authorized under 5 U.S.C. 5504. The solicitation of your social security number is authorized Executive Order 9837, dated November 22, 1943. This information will be used to verify eligibility for advances of pay. After granting advance of pay, form is subject to fiscal audit by parent agency and the General Accounting Office. Disclosure of the requested information is voluntary; however, failure to provide the information required may result in delay or suspension of your advance of funds request.</p>			
<p>9. VOUCHER CERTIFICATION</p> <p>This voucher is certified correct and proper for payment.</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p>Authorized Certifying Officer <u>J. P. Smith</u> (Signature)</p> <p>J. P. Smith Authorizing Certifying Officer (Typed Name and Title)</p> </div> <div style="width: 35%; text-align: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">6</div> <p><u>\$4,500.00</u> (Amount)</p> <p><u>August 13, 1986</u> (Date)</p> </div> </div>			
<p>10. ACCOUNTING CLASSIFICATION</p> <p style="text-align: center;">XXX.X/XXX/XXX/XXX/ZZZXXXXXX</p>			

* FIGURE 9-1.2 INSTRUCTIONS FOR COMPLETING FORM JF-55

1 Name of employing agency (Federal Aviation Administration).

2 Employee should provide a home address or the name and address of the financial institution where proceeds are to be deposited. Employee's name and account number must also be included on check inscription.

3 Voucher number and schedule number to be completed by paying office.

4 Travel authorization number, date, and social security number must be inserted in blocks 5, 6, and 7.

5 Self-explanatory.

6 Accounting office's certifying officer must verify and authorize payment.

7 Accounting classification.

*

SECTION 6. GENERAL PAYMENT PROCESSING

1067. GENERAL. This section describes the various requirements surrounding the payment process. This process calls for examining, receiving, verifying, and matching documents to assure they are valid and accurate before certifying them for payment.

1068. VOUCHER EXAMINATION.

a. Accounting officers are responsible for providing an adequate and economical system for examining vouchers and invoices prior to their certification for payment. The voucher examination function forms the core of this system. They review vouchers for propriety and legality of payment. This examination includes the following:

(1) Reviewing supporting documentation attached to the voucher. Ascertaining if there is adequate documentary evidence that goods or services were received; i.e., there exists a proper obligating or ordering document, receiving report, or inspection document, if appropriate, prior to payment.

(2) Reviewing vouchers for administrative approvals and special certifications.

(3) Reviewing expenditures for legality.

(4) Ascertaining that the terms, quantities, price extensions, etc., stated on the payment voucher agree with the authorizing agreement.

(5) Ascertaining that the voucher lists the points of shipment, weight, and Government bill of lading number or that a freight or express receipt is attached.

(6) Determining that the payment voucher references the authorizing obligating document number.

(7) Reviewing the voucher for propriety of the appropriation charged.

(8) For fast pay vouchers, ascertaining the purchase order document on file conforms to the shipping documents received from the vendor as to terms and unit price. Ensuring that the shipping documents identify the carrier and consignee address.

* (9) Ensuring that discounts are taken when making early payments of payment vouchers, if proper; that payments are not made too early; and that interest is included on late payments, where required.

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b. A voucher examiner reviews all types of vouchers except those related to payroll. If the examiner believes the voucher meets all of the criteria established for payment, he/she signs it, dates it, and stamps it "Passed for Payment." If the examiner cannot pass the document for payment due to a minor error that can be cleared up by personal or telephone contact with the appropriate individual, contact is made and the voucher adjusted accordingly. If the voucher examiner feels the claim is questionable or doubtful, it is forwarded along with all supporting documentation, in duplicate, to the Accounting Systems Division, AAA-400. AAA-400 shall submit the voucher to the General Accounting Office. A cover letter is attached indicating the problems encountered and a recommendation. Preparation of the cover letter is covered in FAA Order 2750.2, Voucher Examination Manual.

c. Further details on the type of examination and the procedures required for each particular type of voucher are in FAA Order 2750.2, Voucher Examination Manual.

1069. FAST PAY PROCEDURES.

a. These procedures are designed to expedite the vendor payment process when goods are shipped to an FAA activity that is not located with its servicing accounting office. Fast pay procedures allow the vendor to be paid before the actual receiving report is received in the accounting office. The vendor sends an invoice to the accounting office stating the details of the shipping process. The invoice must agree with the terms and prices of the order on file.

b. Fast pay procedures can be used for all small purchases up to \$25,000. Payments are made and recorded in the same manner as any other vendor payment.

* c. Procurement offices shall:

(1) Include in all orders for small purchases to be processed using fast payment procedures:

(a) The provisions of DOTPR 12-7.104-50, Fast Payment Provisions, and, in addition, the requirement that the invoice shall include the ship-to address and shall indicate it is a fast payment invoice.

(b) The provisions of the Prompt Payment Act of 1982.

(2) Forward to the servicing accounting office one copy of the purchase order clearly marked as a "Fast Payment Order."

(3) Follow up with the contractor to replace, repair, or correct supplies lost, damaged, or not conforming to purchase order requirements.

(4) Collect any contractor indebtedness in accordance with DOTPR 12-3.652-6, Responsibility for Collection of Debts.

*

* d. Contractors are responsible for complying with DOTPR 12-7.104-50, Fast Payment Provisions, and for furnishing fast payment invoices directly to the servicing accounting office with the additional information required by paragraph 1069c(1)(a).

e. Accounting offices shall:

(1) Flag purchase orders marked for fast payment and related documents prior to filing, file such documents separately, or maintain a separate control on such orders. These actions should facilitate scheduling fast payments on or about the payment due date as specified in the purchase order.

(2) Make payments on the basis of invoices furnished by contractors that conform to the price and quantity terms of the order on file and that contain the information required by paragraph 1069c(1)(a). Receiving reports are NOT required. If these conditions are not met, payment is not to be made, and the invoice is to be returned to the contractor with a request for this information.

f. Consignees shall file copies of receiving reports for all fast payment purchase orders for 3 years as required by FAA Order 4456.1A, Prompt Processing of Receiving Reports. Receiving reports are NOT required to be furnished to their servicing accounting office or their servicing procurement office. Further, consignees are responsible for notifying the servicing procurement office in accordance with the provisions of DOTPR 12-3.652-5, Consignee Notification of Nonreceipt, Damage, or Nonconformance.

1070. USE OF STATISTICAL SAMPLING.

a. Statistical sampling procedures may be used in the examination of travel and commercial disbursement vouchers under \$1,000. The Travel and Relocation Systems Division, AAA-300, approves the sampling procedures prior to their use. Feasibility study results form the basis for approval of these procedures.

b. The feasibility study must show that by not examining every voucher a net savings can be realized even though overclaim and underclaim errors will go undetected on the documents themselves. This study is based on 1 month's worth of all vouchers processed under \$1,000. If the feasibility study shows statistical sampling is not recommended due to excessive error rates, proper steps are taken to alleviate the problem. Another study should be made after a reasonable period of time has elapsed, e.g., 4 to 6 months.

c. An accounting office using statistical sampling must prepare a followup program which determines sampling effectiveness. FAA Form 2750-1, Voucher Sampling Records, is used to document each month's evaluation of the

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sampling process. A decision on the sampling technique used in the subsequent month is based on the prior month's evaluation. This program calls for a monthly review of the sampling error rate, as follows:

<u>TRAVEL VOUCHERS</u>	
<u>IF ERROR RATE IS</u>	<u>NEXT MONTH SAMPLE</u>
less than 5%	1 out of 20 vouchers
5% to 10%	1 out of 10 vouchers
more than 10%	all vouchers examined

<u>OTHER VOUCHERS</u>	
<u>IF ERROR RATE IS</u>	<u>NEXT MONTH SAMPLE</u>
less than 1.5%	1 out of 20 vouchers
1.5% to 3%	1 out of 10 vouchers
more than 3%	all vouchers examined

* d. FAA Order 2750.2, Voucher Examination, Appendix 2, describes sampling procedures, mechanics of the feasibility study, and other required procedures. *

1071. RECORDING PAYMENTS IN THE ACCOUNTING SYSTEM.

a. Regular Payments.

(1) Accounting Office Responsibilities.

(a) Vouchers representing regular payments are examined and approved for payment at each accounting office.

* (b) The approved vouchers are entered into the UAS disbursement suspense file on transaction format 3 or 12. At the end of the day (or throughout the day), the approved vouchers are verified by a person other than the one who examined and entered the transactions. The verifier is authorized to: (1) approve the voucher for disbursement payment; or (2) disapprove the disbursement. The verifier cannot change any item in the file. If the disbursement is disapproved (no pay records), it is returned for correction to the voucher examiner. If it is approved, it is stored for batch processing at end of day and subsequent scheduling for payment. *

(3) Maintaining the associated records and files.

d. UAS Operations Branch, AAC-22, is responsible for:

(i) Reconciling of recorded deposits with the Department of the Treasury (Treasury).

(2) Coordinating with accounts receivable clerk and/or the Treasury to resolve/correct differences.

1096. ACCOUNTING CONTROLS ON DEPOSITS. Internal control of deposits/collections received via electronic funds transfer (EFT) is required.

a. Separation of duties. A form of internal control is a division of duties. The accounting duties in the receipt of the DMRS data, the maintenance of associated records and files, and/or the recording of the cash receipt data to UAS are identified as separate functions for internal control purposes.

b. Document Control. The Department of the Treasury generates and mails the confirmed SF-215, Deposit Ticket, and/or SF-5515, Debit Voucher, to the agency location code (ALC) address. FAA's address is centrally located at the FAA Aeronautical Center, AAC-22. Centralization of this process provides document control needed in the reconciliation to the Treasury function.

* (1) Problems are encountered when reconciling deposit transactions in cases where an SF-215 was prepared when cash was brought to the bank for transfer via TFCS and an SF-215C was generated by the computer. Since each document has a different deposit-ticket number and a valid bank stamp, there is no way to identify that the two documents represent the same transaction. Credit, however, is passed to Treasury via TFCS and the bank does not process a deposit ticket for wire-transferred funds.

(2) Therefore, agencies do not prepare an SF-215, Deposit Ticket, when transferring or receiving cash advances or cash-advance returns via TFCS. These transactions are confirmed by a computer-generated SF-215C, Deposit Ticket.

*

c. Accounting Office Identifier. The first three positions of the comment (CMNT) field in DMRS will be used for the unique regional office identifier. Offices shall instruct depositors to include the three position identifier in that field when preparing the EFT message data.

d. Usage of internal sequential numbering. The DMRS messages do not presently provide the SF-215 and SF-5515 numbers which are required for UAS input. Therefore, each office will create and use sequential numbers for recording the accounting transaction to UAS and coordinate with AAC-22 for deposit reconciliation.

1097. DMRS AGENCYWIDE MESSAGE. DMRS provides one daily transmission to agencies containing all valid deposit/deposit reversal transactions received for an ALC. Upon DMRS message receipt by the accounting office, the office will be responsible for promptly communicating the message data to the accounting offices identified in the message CMNT field for subsequent recording to UAS.

1098.-1100. RESERVED.

SECTION 8. ACCOUNTING FOR COLLECTIONS

1101. GENERAL. This section prescribes the accounting procedures for entering cash collections into the UAS. DOT Form 2770-2, Record of Cash Receipts, contains detailed information needed for selecting the correct Transaction Code (TC). All undeposited collections on hand at the end of an accounting period for which the SF 215 has not been prepared and forwarded are recorded with TC 245 as a debit to general ledger account 1081, Undeposited Collections, and credit to general ledger account 2081, Liability for Undeposited Collections. When preparation of an SF 215 is not required, such as receipt of an SF 1221, Statement of Transactions According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account), the applicable TC is used to debit general ledger account 1010, Fund Balance with the U.S. Department of the Treasury, and credit the proper general ledger account.

1102. UNOFFICIAL USE OF FACILITIES. Collections received from Government employees or private individuals for the unofficial use of Government facilities are deposited into fund account 69X6875(13), Suspense, FAA. These funds are used with the applicable appropriation to pay the related bill for the services involved. If any Federal taxes are collected, remit them to the Internal Revenue Service.

1103. BID DEPOSITS. Deposit all cash receipts for bid deposits to account 69X6875(13), Suspense, FAA. After opening the bids, checks and money orders may be held without deposit up to 30 days. Checks are returned promptly after the purpose of remittance has been satisfied. If the return cannot be completed within the 30-day period, deposit the checks in account 69X6875(13), Suspense, FAA. After the bid deposit has been satisfied, refund the amount deposited by scheduling them on SF 1166, Voucher and Schedule of Payments.

1104. UNIDENTIFIED COLLECTIONS. Unidentified collections are deposited in account 69X6875(13), Suspense, FAA, unless (1) there is a reasonable expectation of ultimate credit to a receipt, appropriation, or fund account; or (2) experience shows the preponderance of unidentified remittances is eventually credited to a receipt, appropriation, or fund account. If any of these situations exist, deposit the collection to account 69F3875(13), Budget Clearing Account, FAA.

1105. SALE OF ABANDONED PROPERTY. Proceeds from the sale of abandoned public property are deposited to fund account 69X6887, Proceeds from the Sale of Surplus Property. The former owner of abandoned property sold by FAA may be reimbursed based upon a proper claim filed within 3 years from the date of vesting of title in the United States. The reimbursement cannot exceed the proceeds realized from the disposal, less the costs, incident to the care and handling of such property. After the expiration of the 3-year period, transfer any unclaimed proceeds to account 69 1060, Forfeitures of Unclaimed Moneys and Property, as prescribed in paragraph 1106.

1106. UNCLAIMED MONEY.

a. Review of Unclaimed Money Accounts. Trust and deposit fund accounts are reviewed at least quarterly to determine whether unclaimed moneys may be refunded to the depositor. Refundable amounts of \$25 or more which have been held for more than 1 year but cannot be refunded because the individual's whereabouts are unknown, are transferred to account 20X6133, Payment of Unclaimed Moneys (T). Unclaimed amounts that have been held for more than 1 year and do not meet all provisions of this paragraph are transferred to miscellaneous receipt account 69 1060, Forfeitures of Unclaimed Moneys and Property.

b. Transferring Unclaimed Moneys of Individuals Whose Whereabouts Are Unknown. Items cleared from agency trust and deposit fund accounts for transfer to account 20X6133, Payment of Unclaimed Moneys (T), must meet all four of the following criteria:

- * (1) Amount is \$25 or more; *
- (2) A refund, upon claim, would be absolutely justified;
- (3) There is no doubt as to legal ownership of the funds; and
- (4) A named individual, business, or other entity can be identified with the item.

c. Recordation and Documentation.

- (1) Transfers are recorded on SF-1017-G, Journal Voucher.
- (2) Transfers to account 20X6133, Payment of Unclaimed Moneys (T), bear the notation "Unclaimed Balances Under 31 U.S.C. 725; P-1," and the individual supporting documents note that funds for individual items have been transferred to account 20X6133, Payment of Unclaimed Moneys (T).
- (3) Transfers to account 69 1060, Forfeitures of Unclaimed Moneys and Property, unclaimed balances of each individual item of \$25 or more must be listed separately. Amounts under \$25 being transferred bear the notation "Unclaimed Balances of Less than \$25," and only the total amount need be shown.

1107. ERRONEOUS COLLECTIONS. Unidentified erroneous collections are deposited as miscellaneous receipts.

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1108. PROCEEDS FROM THE SALE OF REAL AND PERSONAL PROPERTY.

a. Sale of Real Property. Proceeds from the sale of real property are deposited into the appropriate general fund receipt account listed below:

(1) 69 2619 Sale of Public Domain, Not Otherwise Classified.

(2) 69 2629 Sale of Other Real Property, Not Otherwise Classified.

b. Sale of Personal Property.

(1) When Purchase of a Similar Replacement Item Is Not Required.

When it has been administratively determined prior to collection that purchase of a similar replacement item is not required, deposit the proceeds to the general fund receipt account 69_2649, Proceeds from Sale of Equipment and Other Personal Property, Not Otherwise Classified.

(2) When Purchase of a Similar Replacement Item May Be or Is Required.

Deposit the proceeds as follows when a similar replacement item may be or is required:

(a) When sales proceeds are received prior to purchase of replacement of item, deposit the proceeds to account 69F3875(13), Budget Clearing Suspense, FAA.

(b) When a purchase of replacement item is made subsequent to the deposit of sales proceeds in account 69F3875(13), Budget Clearing Suspense, FAA, transfer the funds as an appropriation refund to the appropriation charged with the replacement if the purchase is made within the same fiscal year as the sale of the property being replaced or 1 fiscal year thereafter. The transfer voucher must include or be supported by evidence that the credit is to the proper appropriation account. If the replacement purchase is not made within this time limitation, transfer the proceeds to the appropriate general fund receipt account.

(c) If sales proceeds are received simultaneously with purchase of replacement property, deposit the proceeds as an appropriation refund to the credit of the appropriation charged with the replacement purchase. When a transaction includes an exchange allowance, credit the purchasing appropriation reimbursable revenue account for the amount of the exchange allowance.