

## VOLUME 4, CHAPTER 2: “ACCOUNTING FOR CASH AND FUND BALANCES WITH TREASURY”

### SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [April 2020](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Policy Memo 2.2, 6.0	This revision incorporated and cancelled the Deputy Chief Financial Officer (DCFO) memorandum titled; “Department of Defense Accounting for Funds Held Outside of Treasury Implementation Guidance (FPM 25-01),” dated January 27, 2025.	Cancellation
Policy Memo Appendix A	This revision incorporated and cancelled the DCFO memorandum titled; “Treasury Index 97 Deposit Fund Liabilities Account Structure (FPM 22-04),” dated September 22, 2022.	Cancellation
Policy Memo 4.0, 5.0	This revision incorporated and cancelled the DCFO memorandum titled; “Reporting Department of Defense Deposit Fund Liabilities (FPM 20-10),” dated July 2, 2020, adding section 4.0 to define reporting requirements for Department of Defense Deposit Fund Liabilities and creating section 5.0 specific to the Treasury Index 97 Deposit Fund Liabilities Account.	Cancellation
1.2	Updated the Authoritative Guidance.	Revision
2.6	Incorporated Central Accounting Reporting System reconciliation requirement for undistributed amounts in accordance with Office of Management and Budget Circular A-136	Addition
8.4 (previous Version)	Deleted Record /Reconcile Fund Balance with Treasury Transactions for Defense Working Capital Funds (WCF).	Deletion
9.4	Added Current Balance of Funds with Treasury	Addition

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
10.2	Added the Enterprise Financial Transformation office to the reconciliation responsibilities.	Addition
10.7	Revised description of the Treasury clearing accounts.	Revision
10.8	Moved Undistributed Collections and Undistributed Disbursements out of Defense WCF because it is not WCF specific (previously paragraph 6.7).	Revision
Table 2-2	Added additional Treasury Assigned Accounts for the Revolving Funds	Addition

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## CHAPTER 2

**ACCOUNTING FOR CASH AND FUND BALANCES WITH TREASURY**

## 1.0 GENERAL

## 1.1 Purpose

This chapter prescribes Department of Defense (DoD) accounting policy and related management requirements establishing financial control over fund balances with the U.S. Department of the Treasury (Treasury) and cash resources that are not part of the Fund Balance with Treasury (FBWT). Unless otherwise stated, this chapter is applicable to the Military Departments and Defense Agencies, hereinafter referred to as DoD Components including the Revolving Fund activities. [Annex 1](#) “Supporting Fund Balance with Treasury Balances Brought Forward” provides the steps required for stating beginning balances for FBWT.

## \*1.2 Authoritative Guidance

1.2.1. Title 10, United States Code, section 2206 ([10 U.S.C. § 2206](#)) “Disbursement of funds of military department to cover obligation of another agency of Department of Defense;”

1.2.2. [10 U.S.C. § 2208](#), “Working-capital funds;”

1.2.3. [31 U.S.C. § 1341](#), “Limitations on expending and obligating amounts;”

1.2.4. [31 U.S.C. § 3324](#) “Advances;”

1.2.5. [Title 31, Code of Federal Regulations, § 240.12\(a\)](#), “Processing of checks. Federal Reserve Banks;”

1.2.6. The Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards ([SFFAS](#)) 1, “Accounting for Selected Assets and Liabilities;”

1.2.7. FASAB [SFFAS 31](#), “Accounting for Fiduciary Activities;”

1.2.8. [Treasury Financial Manual \(TFM\) Volume I, Part 2, Chapter 3400](#), “Accounting For and Reporting on Cash and Investments Held Outside of Treasury (CIHO);”

1.2.9. [TFM Volume I, Part 2, Chapter 5100](#), “Fund Balance with Treasury Accounts;”

1.2.10. Office of Management and Budget ([OMB](#)) [Circular No. A-11](#), subsection 20.4(j);

1.2.11. OMB [“Financial Reporting Requirements;”](#)

1.2.11. FASAB [Interpretation of Federal Financial Accounting Standards 10](#): “Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31;”

1.2.12. [DoD Instruction \(DoDI\) 4000.19](#), “Support Agreements;”

1.2.13. [DoDI 5010.40](#), “DoD Enterprise Risk Management and Risk Management and Internal Control Program ;”

1.2.14. Treasury Federal Account Symbols and Titles [\(FAST\) Book](#), I TFM 2, “Supplement;” and

1.2.15. The Government Accountability Office (GAO) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE), [Financial Audit Manual, Volume 2](#), (GAO-24-107279).

## 2.0 DEFINITIONS

### 2.1 Cash

[Recognize](#) cash, including imprest funds, as an asset in accordance with SFFAS 1, Paragraph 27: “Cash consists of: (a) coins, paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in-transit for deposit; (b) amounts on demand deposit with banks or other financial institutions; and (c) foreign currencies, which, for accounting purposes, must be translated into U.S. dollars at the exchange rate on the financial statement date.”

### \*2.2 Funds Held Outside of Treasury (FHOT)

The TFM glossary defines Cash and Investments Held Outside of the Treasury (CIHO), also known as Funds Held Outside of Treasury (FHOT). FHOT is more than physical cash held by a DoD Disbursing Officer (DO), Deputy DO, or paying agent in a vault or in a Limited Depository Account under the responsibility of the DO. Cash like Items including, U.S. Debit Card Program stock, Navy Cash stock, Dishonored Checks in Transit, Undeposited NIs, etc. also fall into this category. Report entity and non-entity cash in accordance with SFFAS 1, paragraphs 28 through 30. Deposit funds from non-federal sources in anticipation of an order (that is, an advance) should be classified in accordance with SFFAS 31, Accounting for Fiduciary Activities.

### 2.3 FBWT

2.3.1. A federal entity’s FBWT is the aggregate funds in the entity’s [Treasury account](#) for which the entity is authorized to make expenditures and pay liabilities.

2.3.2. According to SFFAS 1, paragraph 32, a federal entity's FBWT includes budget clearing account balances [or](#) suspense accounts and the dollar equivalent of foreign currency account balances (e.g., foreign burden-sharing payments). Components must translate foreign currency account balances into U.S. dollars at [Treasury](#) exchange rates and effective at the financial reporting date in accordance with the [Treasury Reporting Rates of Exchange](#) unless the exceptions stated in TFM [Chapter 3200](#) apply. A federal entity’s FBWT also includes balances for direct loan and loan guarantee activities held in the credit reform program and financing accounts.

2.3.3. TFM Chapter 5100 describes FBWT as an asset account [containing](#) the future economic benefits of monies that agencies can spend for future authorized transactions. Transactions [include](#) appropriation warrants, non-expenditure transfers, collections, disbursements, and related adjustments reported to Treasury's Bureau of the Fiscal Service (BFS); and classified to a Treasury Account Symbol (TAS) increase or decrease to the FBWT account balance. [The TFM defines the TAS as being reported in eight components \(fields\): sub-level prefix \(SP\), allocation transfer identifier \(ATA\), agency identifier \(AID\), beginning period of availability \(BPOA\), ending period of availability \(EPOA\), availability type \(A\), main account \(main\), and sub-account code \(SUB\).](#) See Table 2-1 for examples of financial events that impact a Component's FBWT on the Balance Sheet and Statement of Budgetary Resources (SBR).

## 2.4 FBWT Reconciliation

2.4.1. Reconciliation compares two sets of records (usually the balances of two accounts) [and](#) identifies and explains the differences between the records or account balances. The timing of transactions, an invalid Line of Accounting (LOA), insufficient detail, and other reasons may cause differences. Reconciliation is complete [when](#) all differences are identified, accountability is assigned, and [any](#) differences are explained. Once reconciliations are complete, [document](#) appropriate actions and [record](#) any necessary adjustments. The corrective action, [if any](#), must address the [underlying cause of the discrepancy to ensure prevention](#).

2.4.2. [Reconcile](#) FBWT [with](#) the actual accounting transactions (including funding, disbursements, collections, and transfers) back to the detailed amounts posted to both entity general ledgers and entity Treasury accounts, [United States Standard General Ledger \(USSGL\)](#) accounts 101000 (FBWT) and 109000 (FBWT While Awaiting a Warrant or Non-Expenditure Transfer). [Identify and compare](#) accounting events or transactions to determine whether transactions are recorded properly and can be cleared, have not yet been recorded (in transit), or were recorded improperly and require correction either in the general ledger or at Treasury.

2.4.3. [Reconcile](#) FBWT [with](#) the available funds recorded on the [Central Accounting Reporting System \(CARS\)](#) Account Statement. [All disbursements, collections, and intragovernmental transactions in CARS must have supporting Agency Location Code \(ALC\)/Disbursing Station Symbol Number \(DSSN\) details. Include](#) DO's cash reconciliation (cash and monetary assets and the Statement of Accountability) to the cash activity (checks issued, deposits, electronic funds transfer). Refer to [Volume 5](#) for information and requirements of the DO's cash reconciliation.

## 2.5 FBWT Universe of Transactions

The FBWT universe of transactions includes all valid funding, disbursements, collections, or transfers of funds (including warrants) to or from an entity over a given time period. The transactions affect the amounts and balances in appropriation accounts reported to or by [the](#) Treasury, recorded in an entity's general ledger, or presented in an entity's financial reports. [Reconcile](#) transactions from the entity disbursing systems, general ledgers, and financial statements to Treasury's records. [Voucher level detail must support all identified differences.](#) There are two universes of transactions for FBWT: Treasury detail and accounting detail.

Transaction-level detail begins with the LOA and must have the following data elements (at a minimum): TAS, Sub-Allocation Holder Identifier (SAHI) (formerly limit) for Treasury Index (TI)-97, reimbursable flag indicator, accounting station identifier code, agency disbursing identifier code (ALC/DSSN), voucher number, and voucher amount. Non-Treasury Disbursing Offices (NTDO) must include the Agency Location Type Code (AGCY LOC TYP CD), NTDOAUD (also called “child level”), and DSSN to support FBWT reconciliations and undistributed processes. For steps required to bring FBWT balances forward, see Annex 1: Supporting Fund Balance with Treasury Balances Brought Forward.

## \*2.6 Undistributed Amounts

2.6.1. Undistributed amounts are amounts reported to the Treasury that have not been posted to the appropriate obligation in a Component’s general ledger or vice versa. Undistributed amounts can result from timing, invalid LOA, or invalid TAS information, among other reasons. Unsupported undistributed amounts are not yet researched/reconciled to supporting documentation.

2.6.2. A “forced balance entry” is any amount posted, usually at a summary level in a suspense account, to eliminate differences between the Component’s general ledger balance (USSGL accounts 101000 and 109000) and the Treasury’s control total. Typically, these adjustments appear as “undistributed” amounts when there are differences. Although the Treasury requires the Components to match the Treasury’s balance, a forced balance entry is not an adequate reconciliation of the USSGL accounts 101000 and 109000. When reconciling FBWT USSGL accounts 101000 or 109000, Components must research the causes of the differences at the detail-voucher level, identify undistributed amounts, and clear the aged undistributed amounts in accordance with TFM Chapter 5100, Section 5130. All differences must be cleared within 60 business days (see Table 2-4).

2.6.3. The Financial Audit Manual, Volume 2, section 921, Paragraph 17, requires entities to avoid arbitrarily adjusting accounts to the Treasury amounts and/or clearing account recorded differences without adequately researching the causes of the differences. OMB Circular No. A-136 states: “The FBWT should match the sum of the balances reflected on the CARS Account Statement for the entity’s Treasury Account Symbols. An adjustment will need to be made for available receipts appropriated/credited to the related expenditure accounts since the balances will appear in both the receipt ledger and the expenditure account.” Unreconciled differences may represent transactions that have not been properly recorded by the entity to the appropriate accounts. For more detailed instructions on the various reconciliation tools, refer to TFM Chapter 5100.

## 3.0 STANDARD GENERAL LEDGER ACCOUNTS

Use the appropriate accounts to record transactions for FBWT or foreign currency transactions. The general ledger accounts and accounting entries for these accounts are specified in the USSGL TFM Supplement and the [DoD USSGL Transaction Library](#).



#### \*4.0 REPORTING DoD DEPOSIT FUND LIABILITIES

##### 4.1 Deposit Fund Collections

Deposit fund activity is external to the budget process but is reviewed by auditors as part of the DoD's reconciliation of Funds Balance with Treasury. Collections into deposit funds are monies from the public and are not connected to any previous rights and obligations of the U.S. Government. The DoD Treasury Index, where funds are collected, defined in the FAST Book, represents the entity responsible for reporting the deposit fund liability regardless of the source of the funds.

##### 4.2 Payroll Tax Example

To illustrate the DoD's position based on the State and local income tax (SALT) example from the OMB Circular No. A-11, the outlay transaction for Federal employee payroll may be divided into two parts: the outlay from the budget to pay payroll and the collection into the deposit fund from the employee for funds due to the State and other local entities. The outlay for the gross payroll amount is the end of the U.S. Government's rights and obligations to the funds' lifecycle. The collection into the deposit fund is from the public and is not connected to any previous U.S. Government rights and obligations.

##### 4.3 Payment to Employee and State Tax Authority

4.3.1. Expanding the OMB example: Joe Sailor is a Navy accountant. Joe's gross pay is \$1,000 which includes \$100 due to the state of Ohio. The \$1,000 gross pay disbursement fully liquidates the Navy liability for Salaries and Wages Expense related to Joe and is recorded in the Navy payroll appropriated LOA (budget) for \$1,000. This is the end of the U.S. Government's rights and obligations to the funds as they have been paid to Joe as documented on his Leave and Earnings Statement. The \$100 that goes into the SALT deposit fund on Joe's behalf to pay the state of Ohio is sourced from Joe and his pay, not from the Navy-appropriated dollars.

4.3.2. This concept is the same as any other payment to a non-federal entity, except in the case of SALT payroll withholdings, the U.S. Government retains possession of the cash until remitting/paying it to the State and local jurisdiction (if applicable). With other non-federal payments that do not involve deposit funds, the U.S. Government retains neither possession nor rights and obligations.

##### 4.4 Liability Reporting

The Treasury component possessing the funds must report the liability. DoD decides which deposit fund (TI) to hold the cash. If Joe's state withholdings were collected into TI-97, the liability should be reported on the TI-97 consolidated financial statements. If Joe's State withholdings were collected into TI-17, the liability should be reported on the TI-17 Department of the Navy financial statements. So long as the Treasury component that possesses the public funds reports the liability, the DoD financial statements are accurate, and no rights or obligations have been commingled.

## \*5.0 TREASURY INDEX 97 DEPOSIT FUND LIABILITIES ACCOUNT

DoD Components should review deposit fund accounts, at least quarterly, and take necessary corrective action to determine whether monies held in a deposit fund account are consistent with the title of and the legal authority for the account and whether the account has a positive balance. An Anti-Deficiency Act violation must be reported to OMB promptly if a federal disbursing officer over-disburses a deposit fund.

### 5.1 Collaboration with Treasury

5.1.1. When the activity meets Treasury criteria for the establishment of a deposit fund, the DoD entity collaborates with the Treasury to establish the deposit accounts. The entity is required to track, reconcile, and report deposit fund activity on the standalone financial statements of TI-97 Components and all the following:

5.1.2. The activity is related to a DoD Component that must prepare standalone financial statements as required by the OMB Bulletin 24-01, “Audit Requirements for Federal Financial Statements”, or successor issuance (issued annually) or as otherwise required by statute,

5.1.3. The collection and disbursement activities are supported by a unique statutory authorization for the TI-97 Component,

5.1.4. The activity is material (as determined by the Component’s management assessment) to the standalone financial statements of the TI-97 Component reporting entity.

### 5.2 Audit Requirements

Deposit fund activity that does not meet the preceding criteria will be tracked, reconciled, reported, and audited as part of the DoD consolidated audit performed by the DoD Office of Inspector General (OIG).

### 5.3 Standalone Deposit Accounts

In the event deposit fund activity for a TI-97 Component is neither OMB nor otherwise statutorily required to report, but the Component identifies the need for a standalone deposit account, the Office of the Undersecretary of Defense (Comptroller) OUSD(C) and Defense Finance and Accounting Service (DFAS) collaborates with the DoD OIG and Treasury to identify the proper solution. Detailed information and procedures are provided in Appendix A.

## \*6.0 ACCOUNTING FOR CASH AND INVESTMENTS HELD OUTSIDE OF TREASURY (CIHO)

TFM Chapter 3400, “Accounting For and Reporting on CIHO of Treasury”, also known as FHOT, provides guidance on accounting for CIHO and the requirements for accountable officers responsible for funds received, certified, disbursed, and held in their custody (e.g., DOs). DoD Components record all cash drawn on the Treasury General Account (TGA) to a DoD Treasury

Appropriation Fund Symbol (TAFS). FHOT transactions are recorded in accordance with USSGL transaction code B150 and are reported on the financial statements in accordance with [Volume 6B, Chapter 4](#).

#### 6.1 Temporary Cash Holding

The DoD Components can temporarily hold cash using any DoD TAFS, whether current or expired, without restrictions, except for those specifically stated in TFM Chapter 3400 and [Volume 5, Chapter 3](#). The CARS is the electronic system of record for the government's financial data which provides streamlined agency reporting and supports government-wide standardization. Agencies must follow the CARS guidance to request approval for the Business Event Type Code (BETC) and must add the code to a specific TAFS to process transactions in CARS.

#### 6.2 Business Event Type Code (BETC) and Sub-Class Code

The BETC and Sub-Class code must be used to post FHOT balances in CARS on DoD TAFS per the TFM Chapter 3400. The OUSD(C) Financial Management and Policy Reporting Directorate coordinates and submits the BETC request forms to OUSD(C) P/B for review, approval, and submission to Treasury for final approval.

#### 6.3 Burden Sharing Funds

Burden Sharing funds held outside of the Treasury will be reported with the FHOT BETC in accordance with the TFM Chapter 3400.

#### 6.4 Oversight and Monitoring

The Components are responsible for FHOT oversight and monitoring. Each Component confirms the TAFS used for FHOT, retains supporting documents such as Cash Holding Authority memorandum(s), and provides information to the appropriate accounting point of contact. All monthly CARS reporters must charge FHOT to a proper DoD TAFS. All daily CARS reporters must charge FHOT to a proper DoD TAFS by Q3 FY 2025.

#### 6.5 Service Providers

Components may establish service provider roles and responsibilities, as applicable, depending on the FHOT reporting actions. These roles and responsibilities must be detailed within the component-level Standard Operating Procedures (SOPs).

#### 6.6 Reconciling Cash Held Outside of Treasury

The DoD Components must reconcile all cash transactions on a periodic basis, but no less frequently than monthly. Reconcile cash reported on the Statement of Accountability with the CARS Account Statement and the agency's accounting records and related financial statements in accordance with TFM Chapter 3400, Section 3400. Treasury's BFS reports all discrepancies from

periodic reviews and analyses of agencies' reported cash and investment outside of the Treasury to the Office of the Fiscal Assistant Secretary of Treasury.

## 7.0 CASH AUDITS AND REVIEWS

### 7.1 Responsibility for Accounting and Internal Controls

Managers who supervise personnel holding cash **must maintain appropriate accounting and internal controls**. **Managers must** ensure the legality, propriety, and correctness of disbursements and collections of public funds. See Volume 5, Chapter 3; and Appendix A for more information on requirements for securing cash and other assets.

### 7.2 Announced and Unannounced Audits

Audits, both announced and unannounced of each fund, must determine whether:

7.2.1. All funds are properly accounted for and reported;

7.2.2. The amount of funds **is not more than** requirements; and

7.2.3. Procedures to protect the funds from loss or misuse **are being followed**. Management must **assess vulnerability and** determine the frequency of audits, in accordance with DoD Instruction 5010.40.

### 7.3 Requirements for Investigation

**Investigate and report** any unauthorized use, irregularity, or improper accounting for a cash fund to the approving authority and to the DO involved. **The** report must state whether prescribed procedures were followed and recommend any actions necessary to prevent recurrence. **The physical loss of funds must be reported in accordance with Volume 5, Chapter 6**.

## 8.0 DEFENSE REVOLVING FUND

### 8.1 Defense Working Capital Fund (DWCF) Accounts

The DWCF FBWT, account symbol 097X4930, is **an intragovernmental revolving fund that is** subdivided at the Treasury into five sub-accounts. Each of the five entities **associated with the sub-accounts** reports **an** FBWT amount on its Balance Sheet. A DWCF activity below the Treasury sub-account reports **an** FBWT amount on the agency's Accounting Report (Monthly) (AR (M)) 1307, Statement of Operations, as well. However, this amount represents a clearing account for recording collection and disbursement activity that reflects a net of collections and disbursements. **Volume 6A, Chapter 15** describes how to prepare the AR (M) 1307, as well as other FBWT reporting requirements. Each individual activity must also report the balance of FBWT transactions on the Balance Sheet.

## 8.2 DWCF Sub-Account

Treasury-assigned DoD Components DWCF sub-account identifiers are shown in Table 2-2 and in the FAST Book. One of the DWCF sub-accounts is the Defense-wide DWCF (DWWCF) Treasury account (097X4930.005). Other revolving fund accounts that are not part of the DWCF include, but may not be limited to 097X4931, Building Maintenance Fund, and 097X4932, Defense Counterintelligence and Security Agency. The DWWCF account includes Defense Agencies operating under the DWCF. The Defense Agencies provide and use funds from the centralized FBWT account under the DWWCF Treasury account. If an entity's collections exceed its disbursements, it provides funds to the centralized pool for other entities' use. If an entity's disbursements exceed collections, the entity uses funds from the centralized pool to make disbursements. See [Volume 2B, Chapter 9](#) for additional information about cash management policy. All FBWT reconciliations and undistributed adjustments must include the Sub-Account Code.

## 8.3 DWCF Transfers

Program managers for each Treasury sub-account may realign (delegate) balances to the activity or installation level at their discretion. Program managers must document all realigned balances on Standard Form (SF) 1151, Nonexpenditure Transfer Authorization between Treasury Appropriation Fund Symbols (TAFS). TAFS combines the TAS and availability code (for example, annual, multi-year, or no-year). TAFS refers only to the appropriation and fund accounts and excludes the receipt accounts. Distributions between SAHIs, within the same TAFS, are not accounted for as transfers. The preparation of the SF 1151 is not required. See the OMB Circular A-11, subsection 20.4(j) for additional information on transfers. Program managers must not make a transfer that is more than the balance available at the DWCF SAHI making the transfer. See [Volume 11B, Chapter 3](#) for additional information on non-expenditure fund transfers.

## 8.4 DWCF Treasury Cash Balance

The cash on hand at the Treasury account level must always be sufficient to pay liabilities when due. The responsibility for revolving fund cash management is prescribed in Volume 2B, Chapter 9. Components must immediately investigate and report a transaction that causes a negative balance in the Treasury account as a possible violation of the Antideficiency Act as prescribed in [Volume 14, Chapter 2](#), "Antideficiency Act Violations," in accordance with 31 U.S.C. § 1341.

## 9.0 FBWT TRANSACTIONS

### 9.1 Collection or Disbursement

Record a collection or disbursement only when documentary evidence, such as a Treasury Financial Management Service (FMS) Statement of Differences (SOD) or a voucher, supports an increase or decrease to the Treasury account. For Revolving Fund activities, Components must segregate cash collections and cash disbursements between those for the operating program (i.e., noncapital outlays) and the capital program (i.e., acquisition of capital assets for the Capital

[Investment Program](#)) to comply with 10 U.S.C. § 2208(m). See Volume 2B, Chapter 9 for a description of the Capital Investment Program. Additionally, [record and report](#) undistributed cash collections and undistributed cash disbursements at the lowest organizational level. [Per TFM 2-5100 to ensure proper downstream reporting, DoD Components must include the ALC/DSSN support for all FBWT reconciliations, undistributed calculations, and undistributed journal voucher \(JV\) packages. NTDOs must include the necessary minimum data elements defined within subparagraph 2.5 for all FBWT reconciliations and undistributed processes.](#)

## 9.2 Advances Received

[Record a customer advance or prepayment received as a liability in accordance with SFFAS 1, Paragraph 60. OMB Circular No. A-11, section 20.11 provides guidance on the treatment of advances received and deposit requirements, which vary depending on whether the advance is with or without orders.](#)

## 9.3 Refunds and Prepayments

OMB Circular No. A-11, section 20.9 states, “Refunds are the repayments of excess payments.” [Refunds are previous obligations incurred and outlays made. Deposit refunds credited to the appropriation or fund account charged with the original obligations in accordance with OMB Circular No. A-11, section 20.9. Customer returns to DWCF supply activities are a recovery \(and not classified as a refund\). Offsetting collections credited to expenditure accounts automatically offset outlays and budget authority at the expenditure account level. See \[Volume 3, Chapter 15\]\(#\) for more information about refunds, and \[Chapter 5\]\(#\) for more information about prepayments. Refer to the DoD USSGL Transaction Library for posting entry guidance.](#)

## \*9.4 Current Balance of Funds with Treasury

[The current balance of funds with Treasury equals the amount at the beginning of the fiscal year plus the cumulative fiscal-year-to-date collections, appropriations, and transfers-in of FBWT received minus the cumulative fiscal-year-to-date withdrawals, transfers-out, and disbursements.](#)

## 10.0 FBWT RECONCILIATIONS

### 10.1 FBWT Reconciliation Overview

[10.1.1. Reconciling FBWT maintains the accuracy and reliability of the entity FBWT records. Therefore, Components must perform timely, effective, and efficient reconciliation processes \(see Table 2-4\). Effective reconciliations are a detection control for identifying unauthorized and unrecorded transactions at the entities and at the Treasury. Effective reconciliations prevent entity disbursements from exceeding appropriated amounts and provide an accurate measurement of the status of available resources.](#)

[10.1.2. Reconciliation helps Components resolve differences in a timely manner. Maintain detailed reconciliation documentation \(reviewed and approved by appropriate officials\) that is readily available for review by management, auditors, and Treasury if requested. Reconcile](#)

any [time lag](#) differences and correct [erroneous](#) differences. Explain any discrepancies between FBWT in the general ledger accounts and the balance in the Treasury's accounts and disclose them in the notes to the financial statements. Provide information on unused funds in expired appropriations that are returned to [the](#) Treasury at the end of a fiscal year in accordance with SFFAS 1, Paragraph 39.

[10.1.3. Research and trace](#) all adjustments to supporting documents as instructed in I TFM 2-5100, Section 5130. Supporting documentation, including reconciliations, transaction-level detail, journal vouchers and adjustments, SOPs, and Customer Service Provider agreements (i.e., Memorandums of Agreement (MOA)/Memorandums of Understanding (MOU)/Service Level Agreements (SLAs)), are necessary to provide an audit trail. Ensure [that](#) the supporting documentation is readily accessible to management for oversight and auditors to support auditability.

[10.1.4. Resolve](#) all reconciling differences [to](#) ensure that the FBWT universe of transactions (see definition [in](#) paragraph 2.8) is complete, and transactions included in the FBWT accounts are valid. Effective FBWT reconciliation also supports reporting accurate, valid, and timely FBWT account balances. Reconciling [differences](#) are expected and result [from](#) timing differences or errors. I TFM 2-5100, Section 5130 states that agencies must reconcile the FBWT USSGL account 101000 balances for each fund symbol with BFS' records (i.e., CARS Account Statement; Expenditure Transaction Report; SODs, and Available, Unavailable, and Unappropriated Receipt Account Reports) monthly.

## [\\*10.2 Reconciliation Roles and Responsibilities](#)

[10.2.1. OUSD\(C\) Enterprise Financial Transformation \(EFT\)](#), DFAS, in their role as a service provider, and their Component customers are jointly responsible for performing FBWT reconciliations.

[10.2.2. OUSD\(C\) EFT is responsible for:](#)

[10.2.2.1. Performing the design, development, operation, and maintenance of the Advana FBWT application. Refer to \[Volume 1, Chapter 10\]\(#\);](#)

[10.2.2.2. Providing capabilities to age, assign, track, and report on the status of reconciled differences;](#)

[10.2.2.3. Reconciling FBWT appropriation accounts at the TI, main appropriation account level, and the ALC level, including ensuring the FBWT universe of transactions for each TAS recorded to USSGL accounts 101000 and 1090000 for all DoD funds is complete and fully reconciled to all the individual appropriation account balances recorded at Treasury; and](#)

[10.2.2.4. Reconciling the Components' FBWT USSGL accounts 101000 and 109000 at the SAHI level. SAHI is a unique account identifier code specific to DoD that represents the structural level below the sub-account level. These codes are typically four digits, and identify,](#)



manage, and report the financial activity of Defense Agencies, Component, and other operational units reported by the Treasury as the combined activities of TI- 097.

#### 10.2.3. DFAS is responsible for:

10.2.3.1. Reporting transactions affecting FBWT accounts to Treasury (e.g., disbursements and collections) that are disbursed under DFAS DSSNs and non-DFAS DSSNs (e.g., Army DSSNs).

10.2.3.2. Ensuring that information submitted to Treasury on the SF 224, Statement of Transactions, or SF 1219, for those ALC/DSSN where DFAS is the Designated Agent, matches the information reported to Treasury.

10.2.3.3. Researching and resolving differences identified on the Treasury's FMS 6652, i.e., SOD for DFAS DSSNs (DFAS must report and assist with the resolution of differences for non-DFAS DSSNs). BFS provides FMS 6652 to federal agencies for both disbursements and deposits. An FMS 6652 is generated for each ALC by accounting month (the month the report is generated) and accomplished month (the month the difference occurred) if there is a discrepancy. Deposit differences indicate there is a discrepancy between the monthly totals submitted through the banking system via the SF 215, Credit Voucher, or the SF 5515, Debit Voucher, and the totals provided by the agency on the SF 224 or SF 1219. The disbursement transaction SOD reveals discrepancies between monthly totals reported in the agencies' accounting systems and the transactions reported to Treasury by the Regional Finance Centers and/or through the Intra-Governmental Payments and Collections (IPAC) system on the SF 224 or SF 1219. Clear FBWT reconciliation variances, including undistributed, suspense, and SOD balances, within 60 business days from the date of the transaction (see Table 2-4).

10.2.3.4. Aging, assigning, and tracking the status of reconciled differences.

10.2.3.5. Researching and resolving differences originating from operations under the control of DFAS and clearing these transactions in the FBWT source system(s). DFAS must maintain and provide key supporting documentation upon request. Document evidence of reconciliation performed and confirmation that all differences were successfully reconciled.

10.2.3.6. Ensuring Cash Management Report (CMR) reconciling items and variances are cleared within 60 business days from the date they were reported on the CMR unless deemed immaterial in total based on analytical procedures maintained by the Defense Finance and Accounting Service. According to SFFAS 1, the determination of whether an item is material depends on the degree to which omitting or misstating information about the item makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or the misstatement.

#### 10.2.4. DoD Components are responsible for:

10.2.4.1. Reporting transactions affecting FBWT accounts to Treasury (e.g., disbursements and collections) that utilize Treasury Disbursing.



10.2.4.2. Ensuring that information submitted to Treasury on the SF 224 or SF 1219, for those ALCs where the Component is the Designated Agent, matches what is reported to Treasury. Ensuring a valid and proper LOA is on the original obligating documents that will be used throughout the procure-to-pay process.

10.2.4.3. Researching, resolving, and reporting the status of reconciled differences originating from operations under their control.

10.2.4.4. Monitoring and approving the reconciliations performed by OUSD(C) EFT on their behalf. Ensuring all reconciling differences are supported by detail-voucher level transactions. Key supporting documents must be kept and provided as requested; including evidence of reconciliation performed and confirmation that all differences were successfully reconciled.

10.2.5. Coordination between OUSD(C) EFT, DFAS, and their Component customers is necessary to properly identify, assign, age, track, research, and resolve reconciled differences in a timely manner. DFAS' roles and responsibilities in Disbursing and Treasury Reporting Operations are described throughout Volume 5 and in Volume 6A, Chapter 3 which discusses SF 1220, "Statement of Transactions."

10.2.6. OUSD(C) EFT, DFAS, and their Component customers must formally establish and document their understanding and agreement of roles and responsibilities in accordance with DoD Instruction 4000.19, "Support Agreements." DFAS and their Component customers must have written MOAs, MOUs, or SLAs in place that define the roles and responsibilities between the Service Provider and the Customer(s).

### 10.3 Treasury Reconciliation Requirements

10.3.1. Treasury requires reconciling FBWT accounts to the Treasury reported amounts by Department, Period of Availability, and Main Account (i.e., TI, fiscal year, and fund symbol) monthly. Treasury sets forth the requirements for reconciling FBWT in I TFM 2-5100 and the I TFM 2-5100 Supplement. Audit issue guidance is provided in the Financial Audit Manual Substantive Procedures Section 921-Auditing Fund Balance with Treasury, jointly published by the GAO and the CIGIE.

10.3.2. During reconciliation, DFAS and their Component customers must:

10.3.2.1. Research and resolve the underlying causes of differences reported by the Treasury on the SOD each month and make corrections to monthly Treasury reports and agency accounting records.

10.3.2.2. Reconcile general ledger balances by Department, period of availability, and main account with the balances reported by Treasury.

10.3.2.3. Ensure that all adjustments are researched and traceable to supporting documents in accordance with I TFM 2-5100.

10.3.2.4. Document detailed reconciliations and make [them](#) available to auditors and Treasury if requested, as instructed in I TFM 2-5100.

10.3.2.5. Ensure differences recorded in Treasury budget clearing [or suspense](#) accounts are reconciled monthly as instructed in I TFM 2-5100 and moved to the appropriate LOA within [60 business](#) days from the date of transaction. In accordance with TFM Volume I, Bulletin 2024-05, the agency's Chief Financial Officer (CFO) must annually certify that the ages of the balances in the suspense accounts are no more than [60 business](#) days old with clear explanations of exceptions. See paragraph [10.5](#).

#### 10.4 Other Defense Organizations Reconciliation Requirement

10.4.1. Every DoD Component with FBWT accounts must perform detailed reconciliations of their FBWT accounts (USSGL accounts 101000 and 109000). DFAS and their Component customers must [reconcile](#) monthly to ensure the accuracy and reliability of the Component's FBWT records and the integrity of their financial statements.

10.4.2. In addition to the Treasury Main Account requirement, DoD Components must [reconcile](#) FBWT accounts to their sub-allocations as provided by OUSD(C).

10.4.3. For Treasury reporting purposes, DoD must add the balances in the TI-097 accounts together and reconcile [them](#) to the Treasury's control total at the TAS-level in CARS.

10.4.4. [Components' reconciliations](#) must include, and address amounts reported in:

10.4.4.1. Treasury's CARS Account Statement;

10.4.4.2. Trial balances (for both budgetary (outlays/collections) and proprietary (101000/109000 USSGL accounts) from the accounting system (including budgetary FBWT to proprietary FBWT Governmentwide Treasury Account Symbol Adjusted Trial Balance System edits and validations);

10.4.4.3. Financial statements (outlays and collections on the SBR; FBWT on the Balance Sheet);

10.4.4.4. FMS 6652 (for deposits and disbursement/IPAC transactions);

10.4.4.5. Check issue data processed in the Treasury Check Information System.

10.4.5. Additionally, Components must [reconcile](#) monthly at the individual voucher-level detail and include:

10.4.5.1. All budget fiscal years,

10.4.5.2. All appropriations/Treasury accounts (including [GFs](#), working funds, revolving funds, special funds, deposit funds, and trust funds),

10.4.5.3. All SAHIs of the TI-097, and

10.4.5.4. All activity, including suspense accounts (also see “Treasury Budget Clearing Accounts” in paragraph 10.7). Sensitive activity may undergo an equivalent reconciliation process in a separate environment if the balances can be matched with the summary reconciliation.

10.4.6. DFAS and DoD Components must also demonstrate they have controls in place to ensure that daily or monthly amounts reported to Treasury reconcile to collections and disbursements processed through the disbursing systems and recorded accurately and timely in the accounting systems. Monthly Treasury reporting includes SF 224 or SF 1219 and SF 1220 by DFAS or other federal agencies (e.g., Department of State). Components who are the ALC Designated Agents and submit information to Treasury on the SF 224, SF 1219, or SF 1220 must ensure that the information matches submissions to DFAS. Any differences between what was submitted to Treasury and what was submitted to DFAS must be corrected by the ALC Designated Agent in 15 business days after identification by DFAS. See [Volume 5, Chapter 15](#) for information on the requirements for the SF 1219.

## 10.5 Treasury Budget Clearing (Suspense) Accounts

10.5.1. Budget clearing accounts are a type of TAS that the BFS establishes to temporarily credit unidentified transactions from the public or another federal agency when there is a reasonable presumption that the amounts belong to their agencies. It is a subset of Clearing and Default TAS accounts.

10.5.2. Effective FBWT reconciliations include clearing transactions recorded in Treasury budget clearing or suspense accounts in a timely manner. On behalf of the Components, DFAS must be able to provide:

10.5.2.1. A list of individual vouchers and dollar amounts that comprise the difference between Treasury, disbursing system activity, and accounting system trial balance amounts for monthly reconciliations;

10.5.2.2. Vouchers, records, reports, disposition, and supporting documentation for all transactions posted to the suspense accounts for auditor-selected quarterly reconciliation sample items. Components with key supporting documents must provide them as requested;

10.5.2.3. A monthly list of journal vouchers and dollar amounts (by Component) that comprise suspense account amounts at year-end; and

10.5.2.4. Journal vouchers and supporting voucher documentation demonstrating that the voucher was recorded to the appropriate Component. DoD Components must maintain records for transactions input into their general ledger.

## 10.6 Reconciliation of FBWT for Comparison of Transactions

10.6.1. Reconciling FBWT includes comparing transactions at a detailed level sufficient for specific identification of differences to establish that the entity's FBWT general ledger accounts and the Treasury totals are accurately stated. Detail sufficient for specific identification of differences are voucher numbers for cash disbursements and collections, summary bill numbers for interfund transactions, and authorizing document numbers for non-expenditure transfers and funding events.

10.6.2. Components must comply with operational requirements and deadlines when reconciling transactions. Components must:

10.6.2.1. Reconcile and identify differences at the voucher level (or equivalent). Components must adhere to a one-month (30 calendar days) reconciliation requirement following the end of the month being reconciled. See Table 2-3 for a list of data files used to perform reconciliations and data file monthly availability dates.

10.6.2.2. Ensure processes assign, track, age, research, and resolve differences between Treasury, disbursing system records, and accounting system records, as prescribed by Treasury, at the voucher-level detail monthly. Since the Treasury reports information at the summary level, Components must roll up voucher-level detail disbursing system and accounting system records and compare them to the summary-level Treasury reports. Analyze and reconcile monthly in the SF 224 to ensure all collected amounts are properly credited to the proper appropriation and applicable accounts receivable accounts. For any suspense account, items, or transactions more than 60 business days old, investigate and document the reason why the transaction cannot be reclassified to the correct appropriation. Undistributed, suspense, and SoD balance differences must be cleared within 60 business days from the date of the transaction. See Table 2-4 for a summary of the required deadlines.

10.6.2.3. Record journal vouchers in the system of record at the account level and/or SAHI level to resolve suspense accounts and SODs, if necessary, until the proper LOA can be identified. DFAS and their Component customers must maintain all journal vouchers and supporting documentation, including the list of journal vouchers that comprise the differences.

10.6.2.4. Complete both Service Provider supervisory and Component reviews and approvals within 10 business days after researching and resolving all identified differences from the monthly reconciliation. Refer to [Volume 6A, Chapter 2](#) for guidance on journal voucher adjustments and approvals.

10.6.3. Components must address all the critical areas and key control points in the FBWT end-to-end reconciliation, as shown in Figure 2-1. These key control points are:

10.6.3.1. When on daily reporting, reconcile the Component's general ledger system(s) to the Disbursing Systems daily;

10.6.3.2. Reconciling the Cash Management Report (CMR) to the Component's general ledger system(s) monthly (note: this key control point only applies to the TI-097 Components);

10.6.3.3. Researching and resolving: (a) expenditures and collections reported on the CMR with errors in SAHI-level detail, known as CMR reconciling items; (b) expenditures and collections reported on the CMR with differences between Treasury CARS and expenditure reporting systems, known as CMR variances. This key control point only applies to the TI-097 Components);

10.6.3.4. Reconciling the Treasury CARS Account Statement to the Component's general ledger system(s) (for the Military Departments' GFs) monthly. Refer to 10.7 for additional information on the CARS reconciliations;

10.6.3.5. Researching and resolving activity identified in the budget clearing accounts (suspense accounts) on the CARS Account Statement monthly. Refer to paragraph 10.5 for additional information on the budget-clearing accounts; and

10.6.3.6. Researching and resolving all differences identified on the FMS 6652 for all DoD ALCs reported to the Treasury by each of the DFAS Centers monthly.

10.6.4. Components must achieve a complete match rate of 99 percent each month over the transactions for each key control point.

#### \*10.7 FBWT – CARS Account Statement Reconciliation

10.7.1. The CARS Account Statement Module is an online, query-driven component that provides a daily refreshed view of a Federal Program Agency's (FPA's) FBWT. The Account Statement provides an up-to-date source of balance and transaction information to assist FPAs with their reconciliation process. More information about the Account Statement is available on the Treasury's CARS website.

10.7.2. Each DoD Component must reconcile its transactions to the beginning balance, net activity, and ending balance on the CARS Account Statements. Currently, this requirement does not apply to Defense Agencies and Field Activities that are part of shared Treasury Account Symbols. TI-97 components must reconcile their FBWT balances individually to internal TI-97 CMR with support from DFAS as their service provider. DFAS is responsible for reconciling the totals of all TI-97 to Treasury. The Account Statement consists of three sections: (1) Account Summary, (2) Expenditure Activity, and (3) the Transactions reports. Agency users can generate the Account Statement reports at either a TAS or ALC level. FMS 6652 arises from ALC-based SF 1219 and SF 1220 reporting submitted by each of the three DFAS centers. The Support Listings provide links to other FMS Accounting Systems that support the monthly SOD reconciliations.

10.7.3. Users can access CARS Account Statement information at the Department Level and can view both a daily Accounting View (Dynamic) and a monthly Published View (Static) of their account balances and supporting transactions. The SOD application receives a daily

transmission from CARS. This daily transmission allows BFS to provide more up-to-date information to FPAs. Deposit data and agency statements of transactions are updated daily in CARS; for these items, the FPAs receive daily reconciliation information from the GWA Module. This enables the FPAs to identify and correct differences earlier, sometimes before closing the monthly processing. More information about the SOD and detailed support listings is available at the Treasury's website.

10.7.4. Agencies report changes in the FBWT accounts to Treasury's BFS. "CARS Daily Reporters" submit the TAS/Business Event Type Codes and/or Classification-keys into the Classification Transactions and Accountability module within CARS daily for each payment via the Payment Information Repository or the Secure Payment System, and a collection via the Collection Information Repository.

10.7.5. Until agencies comply with being "CARS Daily Reporters," they must provide an explanation in a letter to the Fiscal Accounting Office of Fiscal Service via the email address: [CashAnalysisSection.FAO@fiscal.treasury.gov](mailto:CashAnalysisSection.FAO@fiscal.treasury.gov) and request a waiver to report payment disbursements on the Standard Form (SF) 1218: Statement of Accountability (Foreign Service Account), SF 1219, Statement of Accountability; SF 1220, Statement of Transactions According to Appropriations, Funds, and Receipt Accounts, or SF 1221: Statement of Transactions [According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account)]. See Volume 6A, Chapter 3 for information on the requirements for the SF 1219 and SF 1220 and [\*1 TFM 4000, Section 4040\*](#).

#### \*10.8 Undistributed Collections and Undistributed Disbursements

10.8.1. Refer to [\*Volume 3, Chapter 11\*](#) for additional information relating to financial control over FBWT disbursements, collections, and adjustment transactions. Components must record and report undistributed collections and undistributed disbursements at the lowest organizational level.

10.8.2. DFAS must identify undistributed FBWT transactions at the sub-account Treasury account level, ALC/DSSN level, SAHI level, and Component level. NTDOs must include the necessary minimum data elements defined within paragraph 2.5.

10.8.2.1. Sub-account TAFS Level Adjustments. Treasury Sub-accounts are shown in Table 2-2 and the undistributed collections and disbursements must include Sub-Account details. Any transactions posted at this level must be researched and cleared, if necessary, within 60 business days from the date of the transaction to ensure proper reporting by DoD Components. At year-end, there must not be any remaining unidentified/un-researched balances in the sub-account.

10.8.2.2. Business Area Adjustments. These are business area undistributed collections and disbursements for all funds that are identifiable to the TAFS level but missing sufficient information to identify them to a business area. Examples of business areas include Supply Maintenance, Depot Maintenance, and Research and Development. Undistributed



collections and undistributed disbursements are the differences between the Treasury reporting systems and the collections and disbursements reported through the general ledgers.

**10.8.2.3. Component-Level Adjustments.** These adjustments are Component-level undistributed (unmatched) collections and (unmatched) disbursements **for all funds** that are identifiable through the Treasury reporting systems to the Component-level but have not yet been matched to a specific obligation or receivable subsidiary ledgers. **Support** these adjustments **through** detailed transactions from the **DOS'** records **including** at a minimum the voucher number or other unique identifiers of the transactions. Limit Component-level adjustments at year-end and complete the required reconciliations (necessary research must be conducted and transactions must be posted to the proper LOA).

**10.8.3.** DFAS must identify collections or disbursements at the lowest identifiable level. This includes the **ALC/DSSN support for all cited amounts and all undistributed JV packages.** **NTDOs must include the necessary minimum data elements defined within paragraph 2.5 for all and undistributed processes.** **Record** the undistributed collection or undistributed disbursement and provide **the** documentation necessary to research the account for proper disposition **at that level.**

**10.8.4.** Undistributed collections and disbursements **must** reflect proper FBWT as contained in finance network reports. Components must research such collections and disbursements recorded in account 101000 for proper disposition by the lowest organizational level. DFAS must correct erroneous collections by making a payment to a vendor and erroneous disbursements by establishing a receivable pending receipt of the refund. **Supporting** documentation must include detailed transactions from the **DOS'** records **including** at a minimum the **transaction** voucher number or other unique identifier.

## **10.9** Requirement for Written Procedures

Components must have current written SOPs, narratives, and process maps in accordance with the Managers' Internal Control Program, to direct and document the proper reconciliation processes. SOPs must also include evidence of dated supervisory review and approval certifying that it is current and accurate. In the written procedures, Components must require segregating the journal entry for unsupported undistributed amounts from the journal entry for the undistributed amounts that can be supported. This practice is essential for efficient cash reconciliation management and for audit support and measurement. For example, if the total undistributed amount is 95 percent supported and 5 percent not supported, then record two journal voucher entries to segregate the amounts. See Volume 6A, Chapter 2 for information on proper preparation and documentation of a journal voucher.

## **10.10** Expenditure and Receipt Accounts Annual Review

DFAS must review and validate all expenditure and receipt accounts **that the** Treasury reports annually to determine if the TAS are valid. DFAS must work with Treasury to remove invalid and unused TAS from Treasury reports/systems on an annual, or as-needed basis.

### 10.11 FBWT Reconciliation Quarterly Scorecard

10.11.1. Treasury's BFS provides a Quarterly Scorecard to all CFOs of federal agencies (see [\*TFM Bulletin 2023-05\*](#)).

10.11.2. This scorecard focuses on FBWT reconciliation metrics from the disbursing operations perspective. This Quarterly Scorecard reflects agencies' performance by ALCs in compliance with the BFS Cash Accounting Branch financial reporting standards. Accuracy of Reporting, SOD Reconciliation, Suspense/Default Account Reconciliation (F3502, F3875, and F3885), and Timeliness of Reporting are the reporting standards. The Treasury uses a traffic light grading system. For example, agencies score "green" if they successfully met all standards, "yellow" if they met some, but not all standards, and "red" if they have not met any of the standards based on the criteria outlined in the scorecard.

10.11.3. OUSD(C) requires each ALC to explain the cause of each discrepancy no later than 30 calendar days after the Scorecard is issued, along with corrective action taken to address the discrepancy, when the discrepancy will be corrected, and what processes are in place to prevent similar discrepancies in the future.



Table 2-1: FBWT Relationship between the SBR and the Balance Sheet

Example Financial Event	SBR Impact	Balance Sheet – FBWT Impact	Transaction-Level Detail Required
Appropriation Received	Increase to Appropriation	Increase to FBWT	Funding document (e.g., Funding Authorization Document [FAD], warrant)
Rescissions	Increase to Permanently not Available	Decrease to FBWT	Funding document (e.g., FAD, warrant)
Unfilled Customer Orders Received with Advance	Increase to Unfilled Customer Orders Received with Advance	Increase to FBWT	Military Interdepartmental Purchase Request, 7600A/B, or electronic equivalent
Collection (IPAC collections)	Increase to Actual Offsetting Collections	Increase to FBWT	Voucher/ Summary Interfund Bill Number
Disbursement (IPAC disbursements)	Increase to Gross Outlays	Decrease to FBWT	Voucher/ Summary Interfund Bill Number
Clearing of Suspense Account Disbursement Transaction, undistributed and SODs (and posting to a valid appropriation account and obligation)	Increase to Gross Outlays	Decrease to FBWT	Voucher/ Summary Interfund Bill Number
Clearing of Suspense Account Collection Transaction, undistributed and SODs (and posting to a valid appropriation account and obligation)	Increase to Actual Offsetting Collections	Increase to FBWT	Voucher/ Summary Interfund Bill Number
Nonexpenditure Transfer- In	Increase	Increase to FBWT	Funding Document
Nonexpenditure Transfer-Out	Decrease	Decrease to FBWT	Funding Document

\*Table 2-2: DoD Component Treasury Assigned Account Number for [Revolving Funds](#)

DoD Component	Treasury Assigned Account Number
Army	097X4930.001
Navy	097X4930.002
Air Force	097X4930.003
Defense Commissary Agency	097X4930.004
Defense Agencies	097X4930.005
Building Maintenance Fund	097X4931
Defense Counterintelligence and Security Agency	097X4932
<a href="#">Pentagon Reservation Maintenance Revolving Fund</a>	<a href="#">097X4950</a>
<a href="#">National Defense Stockpile Transaction Fund</a>	<a href="#">097X4555</a>
<a href="#">Commissary Stores Surcharge Program, Defense</a>	<a href="#">097X8164</a>

Table 2-3: FBWT Reconciliation Data Files and Monthly Availability Dates

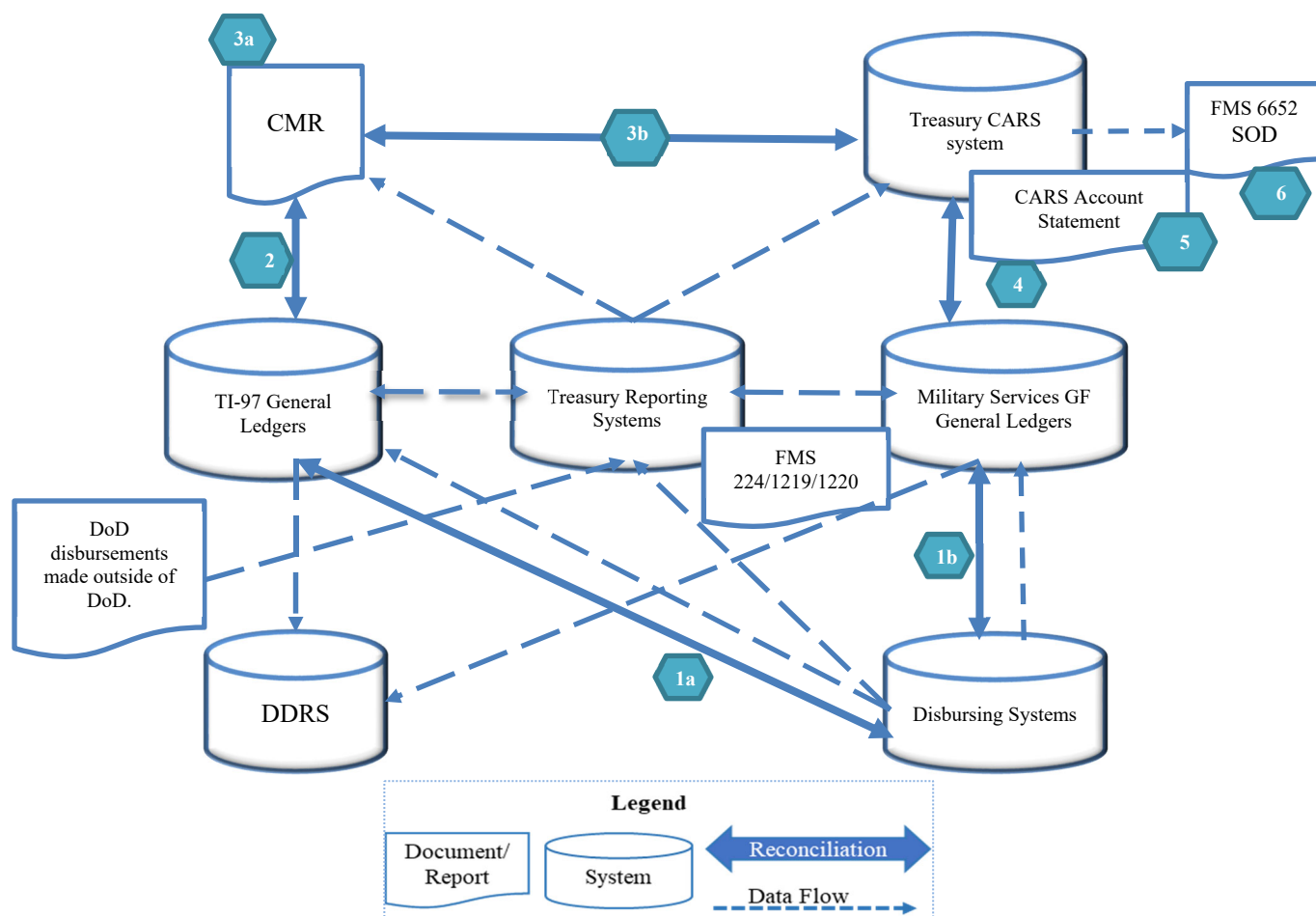
(See [section 10.0](#) for FBWT reconciliation information.)

Data File	Monthly Availability Date
DD Form 1329 – Statement of Transactions	3 <sup>rd</sup> business day
DD Form 1400 – Statement of Interfund Transactions	3 <sup>rd</sup> business day
Preliminary CMR	4 <sup>th</sup> business day ( <a href="#">calendar day at year end</a> )
<a href="#">Final CMR</a>	<a href="#">Approximately 20<sup>th</sup> calendar day</a>
Trial Balances	7 <sup>th</sup> business day
Treasury CARS Account Statement	8 <sup>th</sup> business day
FMS 6652 – Statement of Differences	10 <sup>th</sup> business day
Defense Departmental Reporting System (DDRS) Budget Execution Reports	15 <sup>th</sup> business day

Table 2-4: FBWT Reconciliation Deadlines

Requirement	Deadline
Complete FBWT reconciliation	30 calendar days following the end of the month.
Clear FBWT reconciliation variances: undistributed, suspense, and SOD balances	60 business days from the date of the transaction.
Service Provider Supervisory review and Component review and approvals	Complete both reviews within 10 business days following the completion of the monthly reconciliation.

Figure 2-1. Critical Focus Areas to Address FBWT Risks



Key Control Point		Is there a place to:		
		Reconcile and identify differences at the transaction-level?	Age, research, and resolve differences identified?	Record temporary journal voucher in DDRS?
1	a. Disbursing Systems to Accounting Systems: Reconcile 097 General ledgers to Disbursing Systems daily (for daily reporters) (TI-97 only).			
	b. Disbursing Systems to Accounting Systems: Reconcile Military Services GF General Ledgers to Disbursing Systems daily.			
2	Differences between Accounting Systems and CMR: Reconcile CMR to General Ledgers monthly (TI-97 only).			
3	a. CMR Reconciling Items: Research and resolve expenditures and collections reported on the CMR with errors in SAHI level detail (TI-097 only).			
	b. CMR Variances: Research and resolve expenditures and collections reported on the CMR with differences between CARS and expenditure reporting systems (TI-97 only).			
4	Differences between Accounting Systems and Treasury: Reconcile Military Services GF General Ledgers to CARS Account Statement.			
5	Suspense Accounts: Research and resolve activity identified in budget clearing accounts (suspense) on Treasury CARS Account Statement monthly.			
6	SODs: Research and resolve differences identified on the FMS 6652s.			

**\*APPENDIX A: Treasury Index 97 Deposit Fund Liabilities Account Structures**

**1.0 GENERAL**

**1.1 Deposit Fund Liabilities**

The Office of the Secretary of Defense (OSD) and Department of Defense (DoD) Components report deposit fund liabilities on the financial statements corresponding to the U.S. Department of the Treasury (Treasury) Component (i.e., Treasury Index) Federal Account Symbols and Titles (FAST) Book. The Navy General Fund, Army General Fund, Air Force General Fund, and Other Defense Agency Accounts correspond to Treasury Index (TI) 17, TI-21, TI-57, and TI-97, respectively.

**1.2 Facilitating Auditability Goals**

The DoD does not have to delineate individual TI deposit funds. Generally accepted accounting principles (GAAP), regulations, and statutes do not require delineation. However, the DoD increases auditability and transparency and reduces taxpayer costs by doing so.

**2.0 UNIQUE DEPOSIT ACCOUNTS**

**2.1 Treasury Collaboration**

DoD and Treasury track, reconcile, and report deposit fund activity on the standalone TI-97 Component financial statements when the activity meets the following criteria:

2.1.1. The DoD Components prepare standalone financial statements if required by the annual OMB Audit Requirements for Federal Financial Statements Bulletin, or by statute (i.e., U.S. Code, National Defense Authorization Acts, and other legislation). Standalone financial statements facilitate the audit and internal funds management but are not required or submitted separately for external reporting to OMB, Congress, or other authoritative bodies.

2.1.2. Treasury requires separate deposit fund accounts for individual statutory authorities or programs. Treasury does not separately track or issue guidance for individual TI-97 reporting entities.

2.1.3. The TI-97 Component's management determines if the activity is material. The DoD does not delineate immaterial TI-97 deposit fund activity.

**2.2 DoD Tracking in Shared OSD Level Deposit Accounts**

DoD tracks, reconciles, and reports activity in the shared DoD-level deposit accounts. These shared deposit accounts are part of the DoD Consolidated Audit.

## 2.3      Alternative Solutions

If a TI-97 Component needs a standalone deposit account, the Office of the Undersecretary of Defense (Comptroller) (OUSD(C)) and Defense Finance and Accounting Service (DFAS), the Component, Treasury, and the DoD Office of Inspector General identify the proper solution.

## 2.4      Stand Alone Accounts

2.4.1. OUSD(C) and DFAS ask Treasury to create a new, unique deposit account when appropriate.

2.4.2. When the account is created, the TI Component must:

2.4.2.1. Transfer previously recorded activity in a shared OSD level deposit fund account as soon as possible (i.e., collections without a corresponding disbursement, according to the TI-97 Component's detailed records and supporting documentation). Once a balance is established, the TI-97 Component uses the new account and reports the deposit fund activity and balances in its standalone financial statements. The TI-97 Component assesses whether prior year financial statements must be restated, or a prior period adjustment is necessary.

2.4.2.2. Use the new account and report the deposit fund activity and balances in its standalone financial statements if no deposit fund activity was previously recorded.

## 2.5      Payroll Reported by Military Departments

2.5.1. Military Departments report all military service payroll activity on their financial statements.

2.5.2. DoD tracks, reconciles, and reports civilian payroll-related deposit fund activity.

## 2.6      Transparency

The DoD maximizes transparency and mitigates complexity for the Federal Government and Government-wide information users by creating unique deposit fund accounts under the TI-97 entity.