Chapter 2100

**Fiscal Service Data Registry**

This chapter provides information on the Bureau of the Fiscal Service (Fiscal Service) data registry, titled the "Fiscal Service Data Registry." The data registry promotes the common identification, use, and appropriate sharing of financial data across the federal governmen**.**

**Section 2110 — Scope and Applicability**

The purpose of the data registry is for agencies to better understand the context for the data they provide to Fiscal Service, as well as allow consumers to better understand the data.

The data registry strives to serve as the authoritative source for data definitions and properties for Fiscal Service data elements and other data elements processed through Fiscal Service systems. The data registry may contain data elements for central reporting, transactional processing, and budget as well as enterprise reporting.

**Section 2115 — Standardization**

Fiscal Service prioritizes efforts to increase standardization in its systems to reduce costs to customers who submit data, as well as to ensure reusability and interoperability for consumers of Fiscal Service data.

**2115.10 — Fiscal Service Data Registry**

The [**Fiscal Service Data Registry**](https://fiscaldata.treasury.gov/api-documentation/#endpoints) identifies data definitions, data properties, relationships, value domains, business rules, and other metadata for data elements.

**Contacts**

Direct inquiries concerning this chapter to**:**

Department of the Treasury
Bureau of the Fiscal Service
Office of the Chief Data Officer
3201 Pennsy Drive, Building E
Landover, MD 20785

Email: **FiscalServiceCDO@fiscal.treasury.gov**

# Chapter 3000

## Payments Of Unclaimed Moneys And Refund Of Moneys Erroneously Received And Covered

#### **Section 3010—Scope and Applicability**

This chapter prescribes procedures that apply to all departments and agencies of the federal government that handle unclaimed moneys belonging to individuals, businesses, or other entities. The unclaimed moneys provisions of this chapter do not apply to funds held in trust for individual Indians, associations of individual Indians, or for certain Indian corporations. This chapter also prescribes procedures for making refunds of collections or other receipts erroneously received and covered into the Treasury.

**Section 3015—Authority**

According to the provisions of [**31 U.S.C. § 1322**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1322&num=0&edition=prelim), "Payments of unclaimed trust fund amounts and refund of amounts erroneously deposited," each year on September 30, the Secretary of the Treasury will transfer to the Treasury trust fund receipt account "Unclaimed Moneys of Individuals Whose Whereabouts are Unknown" that part of the trust fund account balance named in [**31 U.S.C. § 1321 (a)(1)-(82)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1321&num=0&edition=prelim) or an analogous trust fund established under [**31 U.S.C. § 1321 (a)(1)-(82)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1321&num=0&edition=prelim) that has been in the fund for more than one year and represents money belonging to individuals whose whereabouts are unknown. Subsequent claims to the transferred funds shall be paid from the account "Unclaimed Moneys of Individuals Whose Whereabouts are Unknown."

[**31 U.S.C. § 1322**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1322&num=0&edition=prelim) contains additional procedures of authority for non-trust fund related unclaimed moneys and other collections erroneously deposited that are not properly chargeable to another appropriation.

**Section 3020—Terms and Definitions**

For terms and definitions related to this chapter, please view the [**TFM Glossary**](https://tfm.fiscal.treasury.gov/tfm-glossary.html).

**Section 3025—Responsibility of Agencies to Dispose of Unclaimed Moneys**

Agencies must initiate action to clear unclaimed moneys held in their uninvested trust, revolving, and deposit fund accounts for more than one year. Unclaimed moneys are moneys held for rightful owners whose whereabouts are unknown.

Agencies must use account 20X1807, "Refund of Moneys Erroneously Received and Covered (Indefinite)" for expenditures made for collections or other receipts erroneously deposited into Treasury. These collections represent receipts that are not properly chargeable to any other appropriation.

**Section 3030—Review of Agency Unclaimed Money Accounts**

Each quarter, agencies must:

* analyze their uninvested trust, revolving, and deposit fund accounts to determine whether they are holding unclaimed moneys that a depositor may receive as a refund,
* return amounts of $25 or more promptly to the depositor without the presentation of a claim,
* transfer to account 20X6133 "Payment of Unclaimed Moneys" amounts of $25 or more that have been held for more than one year and are properly refundable but cannot be refunded because the individual's whereabouts are unknown (see the provisions of Section 3035), and
* transfer to miscellaneous receipts account "1060" unclaimed amounts of less than $25 or amounts of $25 or more held for more than one year and do not meet all provisions of Section 3035.

On a quarterly basis, the Bureau of the Fiscal Service (Fiscal Service) posts the summary-level balance by agency and Agency Location Code (ALC) to account 20X6133 (see [**Treasury Managed Accounts Reports - Unclaimed Moneys**](https://treasurydirect.gov/government/treasury-managed-accounts/)). Fiscal Service does not maintain subsidiary ledgers. The agency must maintain its subsidiary ledgers and supporting documentation to ensure an accurate balance. Agencies may contact Fiscal Service with any discrepancies between their subsidiary ledgers and the balances recorded in 20X6133. Agencies that dispute Treasury's recorded amount must do so within 60 days of the date of Treasury's website publication date and must provide supporting documentation within that timeframe so that Treasury can make appropriate adjustments.

**Section 3035—Procedures for Transferring Unclaimed Moneys**

**3035.10—General**

The balance of account 20X6133 represents only moneys that, when claimed, are unequivocally refundable. This account, as originally established, should hold such moneys in trust for rightful owners (as received by government agencies from sources outside the government). Accordingly, items cleared from agency uninvested trust, revolving, and deposit fund accounts for transfer to account 20X6133 must meet all four of the following criteria:

* are in the amount of $25 or more,
* justify a refund, upon claim,
* leave no doubt as to legal ownership of the funds, and
* identify a named individual, business, or other entity with the item.

The support for these criteria will remain as an active record with the agency and serve as the subsidiary ledger for account 20X6133. Transfer to miscellaneous receipt account "1060" amounts that do not meet the above listed criteria. Receipt account "1060" will show the prefix of the transferring agency.

The document clearing unclaimed balances to miscellaneous receipts account "1060" must list individually each amount of $25 or more. Agencies must annotate cleared amounts under $25 cleared with the notation, "Unclaimed balances of less than $25.00," and need only show the total amount. They need not identify individual amounts under $25.

**3035.20—Balance Transfers - Method and Reporting**

Agencies making transfers from the uninvested trust, revolving, and deposit fund accounts to accounts "1060" and 20X6133 must report the transfers with a reclassification on the Classifications, Transactions, and Accountability (CTA) report.

**Section 3040—Payments Made from Account 20X6133**

When an agency requests a refund on an item that remains unclaimed, and the amount remains in that agency's account fund balance, disbursing officers must make payments from account 20X6133. A certifying officer located in the requesting agency authorizes any such payment, validating the claims scheduled for payment. Disbursing officers who process payments from account 20X6133 must report the disbursement made from the account on their CTA report. The document “Treasury Managed Account Reports - Unclaimed Moneys” (see Section 3030) must bear the notation "Unclaimed Balances." When clearing balances, agencies must note on the basic supporting documents that they transferred funds for the individual items to account 20X6133.

**Section 3045—Procedures for Using Account 20X1807**

When agencies can trace the amount subject to refund as erroneously credited to an appropriation account, the agency should charge the refund claim to that appropriation account whether lapsed, current, reimbursable, or nonreimbursable. Agencies may charge account 20X1807 only when depositing collections into the Treasury as miscellaneous receipts and the refund is not properly chargeable to any other appropriation.

For example, if an agency has statutory authority to retain collections, but mistakenly deposited collections into miscellaneous receipts, the agency should reverse the transaction by debiting miscellaneous receipts and crediting its statutorily authorized account. The debiting of miscellaneous receipts may require a backdated transaction to the applicable prior year. If so, agencies must coordinate with the Office of Management and Budget for proper guidance. Refer to the Treasury Financial Manual bulletin[**Using the Prior-Year Adjustment Attribute Required by the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) for Reporting, Submitting, and Tracking Treasury Backdated Documents**](https://tfm.fiscal.treasury.gov/v1/bull.html).

By contrast, if an agency erroneously collects moneys from a payor and deposits those funds to miscellaneous receipts, but a court subsequently determines that the funds should not have been collected from the payor and orders the U.S. Government to refund the amounts collected, 20X1807 can be utilized for the refund only if the refund cannot be properly chargeable to another appropriation. See the [**Government Accountability Office's Red Book**](https://www.gao.gov/assets/670/668991.pdf)**,**which provides helpful guidance regarding refund of moneys erroneously received and covered into the Treasury.

Agencies are responsible for the validity, accuracy, and legality of any charges to account 20X1807 and for retaining documentation of the appropriation account and amount erroneously credited.

**Section 3050—Payments from Account 20X1807**

Agencies initiating payments from account 20X1807 must ensure the payments are certified by an agency certifying official and then they must report the payments on their CTA report. If the agency wishes to charge account 20X1807 for over $100,000, the agency must provide an official refund request letter signed by the agency's authorized official or Certifying Financial Officer (CFO), to the Agency Reporting and Analysis Division (see Contacts) prior to initiating the withdrawal. Agencies withdrawing any amount from 20X1807 must report this activity on their monthly CTA report.

**Section 3055—Internal Audit by Agencies**

Agencies must audit accounts 20X6133 and 20X1807. They must include these audits in their internal audit program.

**Section 3060—Maintenance of Records**

Agencies must maintain adequate records in support of moneys held for rightful owners in account 20X6133. Agencies must retain individual records of all items transferred to the miscellaneous receipts account “1060” according to the agency's retention policy, but in any event, not less than 7 years. In addition, agencies must:

* maintain memorandum accounts for 20X6133 and 20X1807,
* maintain a file of paid disbursement voucher forms with supporting documents for payments made from these accounts, and
* make records available to internal auditors and auditors conducting on-site audits for the General Accountability Office (GAO).

**Section 3065—Special Reporting**

Fiscal Service may, from time to time, request reports on transactions or balances pertaining to accounts 20X6133 and 20X1807.

**Contacts**

Direct inquiries concerning this chapter may go to:

Agency Reporting & Analysis Division
Bureau of the Fiscal Service
PO Box 1328
Parkersburg, WV 26106-1328
Email: **TMAS@fiscal.treasury.gov**

Chapter 3100

**Certifying Payments And Recording Corresponding Intragovernmental Receivables In The Federal Government's Judgment Fund**

This chapter prescribes guidance, procedures, and any necessary form to submit requests for payment from the Judgment Fund for certain judgments and settlements against the United States.

**Section 3110—Scope and Applicability**

This chapter supplements the Department of the Treasury's (Treasury) regulations at [**31 CFR Part 256**](https://www.ecfr.gov/cgi-bin/text-idx?SID=6bd8bedb9029c9341ff2712d4f927cee&mc=true&node=pt31.2.256&rgn=div5), *Obtaining Payments from the Judgment Fund and Under Private Relief Bills* (see the [**Judgment Fund**](https://fiscal.treasury.gov/judgment-fund/) web page). It also provides detailed information on any form used to request payment from the Judgment Fund, the process used to collect reimbursements to the Judgment Fund, and the recording as well as reporting of intragovernmental receivables related to payments from and reimbursements to the Judgment Fund.

**Section 3115—Authority**

The following authorities and regulations govern the policies set forth in this chapter:

* [**31 U.S.C. § 1304**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1304&num=0&edition=prelim), [**41 U.S.C. § 7108(c)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title41-section7108&num=0&edition=prelim), [**5 U.S.C. § 2301 note**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section2301&num=0&edition=prelim), [**31 CFR Part 256**](https://www.ecfr.gov/cgi-bin/text-idx?SID=644411cd5c28042c81be5ff62cf40489&mc=true&node=pt31.2.256&rgn=div5), and [**5 CFR Part 724**](https://www.ecfr.gov/cgi-bin/text-idx?SID=2877e92d923b00ede58ed2fe304d7b0b&mc=true&node=pt5.2.724&rgn=div5).

**Section 3120—Terms & Definitions**

For terms and definitions related to this chapter, please view the [**TFM Glossary**](https://tfm.fiscal.treasury.gov/tfm-glossary).

**Section 3125—The Bureau of the Fiscal Service’s Role in Certifying Payments from the Judgment Fund**

Congress established the Judgment Fund, which is a permanent indefinite appropriation, to pay:

* Certain judicial and administrative monetary awards against the United States, and
* Amounts owed under compromise agreements negotiated by the U.S. Department of Justice in settlement of claims arising in actual or imminent litigation.

Fiscal Service administers and certifies payments from the Judgment Fund. As stated in Treasury regulations at [**31 CFR § 256.1**](https://www.ecfr.gov/cgi-bin/text-idx?SID=446e300f50221f95660ea26f44f377bf&mc=true&node=se31.2.256_11&rgn=div8), Fiscal Service certifies payments from the Judgment Fund when the following four criteria have been met:

* Awards or settlements are final,
* Awards or settlements are monetary (that is, they require the payment of specific sums of money awarded against the United States),
* One of the authorities specified in [**31 U.S.C. § 1304(a)(3)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1304&num=0&edition=prelim) provides for payment of the award or settlement from the Judgment Fund, and
* Payment may not legally be made from any other source of funds.

**Section 3130—General Guidance for Requesting Payments**

**3130.10—Core Requirements for Agency Submission to Fiscal Service to Request Payment from the Judgment Fund**

Submitting agencies must submit Fiscal Service forms and supporting documentation required by Treasury regulations at [**31 CFR Part 256**](https://www.ecfr.gov/cgi-bin/text-idx?SID=91203b47f06744abe5913f929848a5dd&mc=true&node=pt31.2.256&rgn=div5) and this chapter to request a payment from the Judgment Fund. See the [**Judgment Fund**](https://fiscal.treasury.gov/judgment-fund/) web page for the full text of [**31 CFR Part 256**](https://www.ecfr.gov/cgi-bin/text-idx?SID=91203b47f06744abe5913f929848a5dd&mc=true&node=pt31.2.256&rgn=div5). The "submitting agency" for litigative awards is the agency responsible for defending the United States in court. In most instances, that is the Department of Justice. For administrative awards, the "responsible and/or submitting agency" is the agency authorized to settle the claim. See [**31 CFR § 256.10**](https://www.ecfr.gov/cgi-bin/text-idx?SID=91203b47f06744abe5913f929848a5dd&mc=true&node=pt31.2.256&rgn=div5#se31.2.256_110).

Agencies are required to submit payment requests electronically using the Judgment Fund Internet Claims System (JFICS, a web-based system).

Electronic claim submissions must include all required documentation and/ or FS Form 197, Judgment Fund Voucher for Payment, if applicable. The FS Form 197 can be downloaded from the [**Judgment Fund Electronic Filing**](https://fiscal.treasury.gov/judgment-fund/forms.html)web page.

The submitting agency enters the required information into JFICS and submits the request to Fiscal Service electronically. The agency must include in its submission a copy of all necessary supporting documents, including the settlement agreement or judgment. In some instances, FS Form 197 can be used as the settlement agreement. Accepted JFICS file formats are PDF and TIFF up to 32mb.

Treasury regulations at [**31 CFR § 256.12**](https://www.ecfr.gov/cgi-bin/text-idx?SID=91203b47f06744abe5913f929848a5dd&mc=true&node=pt31.2.256&rgn=div5#se31.2.256_112) details the supporting documentation that must accompany agencies' payment requests. As stated in [**31 CFR § 256.13**](https://www.ecfr.gov/cgi-bin/text-idx?SID=91203b47f06744abe5913f929848a5dd&mc=true&node=pt31.2.256&rgn=div5#se31.2.256_113), agencies must also include a valid taxpayer identification number (TIN) for each person legally entitled to payment on all payment requests, unless one of the exceptions listed in the Fiscal Service TIN Policy applies. The TIN policy can be found on the[**Taxpayer Identification Number (TIN) Policy**](https://fiscal.treasury.gov/tin/) web page.

**3130.20—Additional Information for Payments to or on Behalf of Insured Claimants or Insurers**

In addition to the supporting documentation specified in [**31 CFR § 256.12**](https://www.ecfr.gov/cgi-bin/text-idx?SID=48f8a4bd1fdd5c67cb9e794067d49813&mc=true&node=pt31.2.256&rgn=div5#se31.2.256_112), agency requests for payments made on behalf of an insured claimant to an insurer must include documentation supporting the payee's authority to receive such a payment, as specified below.

* If an insurance company or some other insurer has not made payment to or on behalf of the insured claimant (for instance, an unreimbursed deductible amount) before it presents a claim for payment to the U.S. Government, the responsible agency must document the insurer's authority to collect that amount on behalf of the insured claimant.
* If an insurance company or some other insurer has made payment to or on behalf of an insured claimant before the insured presents the claim to the U.S. Government, the responsible agency must document the insured claimant's authority to collect the insured portions of the claim on behalf of the insurer.

**Section 3135—Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism**

[**Executive Order 13224**](https://www.state.gov/executive-order-13224/) prohibits transactions with persons who commit, threaten to commit, or support terrorism. The Department of the Treasury's Office of Foreign Assets Control (OFAC) maintains the Specially Designated Nationals (SDN) and Blocked Persons list, which provides a list of individuals and entities covered by [**Executive Order 13224**](https://www.state.gov/executive-order-13224/). The SDN and Blocked Persons list also includes the additional restrictions found in the Foreign Assets Control regulations at [**31 CFR Chapter V**](https://www.ecfr.gov/cgi-bin/text-idx?SID=48f8a4bd1fdd5c67cb9e794067d49813&mc=true&tpl=/ecfrbrowse/Title31/31cfrv3_02.tpl#0).

The Judgment Fund Branch does not make or certify payments, or draw checks or warrants, payable to an individual or organization listed on the SDN and Blocked Persons list. The Judgment Fund Branch consults the [**SDN and Blocked Persons**](https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx) list before making payments.

Direct questions concerning [**Executive Order 13224**](https://www.state.gov/executive-order-13224/) or the SDN and Blocked Persons list by following the contact information on the [**OFAC**](https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx) website.

**Section 3140—Agencies' Reimbursement Obligations**

As stated in [**31 CFR § 256.40**](https://www.ecfr.gov/cgi-bin/text-idx?SID=644411cd5c28042c81be5ff62cf40489&mc=true&node=pt31.2.256&rgn=div5#se31.2.256_140), agencies are required to reimburse the Judgment Fund for payments made pursuant to the Contract Disputes Act, [**41 U.S.C. § 7108(c)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title41-section7108&num=0&edition=prelim), and payments subject to the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), [**5 U.S.C. § 2301**](https://uscode.house.gov/view.xhtml?req=5+U.S.C.+%A7+2301&f=treesort&fq=true&num=4&hl=true&edition=prelim&granuleId=USC-prelim-title5-section2301), note. In such cases, Fiscal Service sends a reimbursement notice to the responsible agency. A notice is sent within 30 business days from the date of the payment from the Judgment Fund for payments arising out of Contract Dispute Act cases, and within 15 business days from the date of the payment from the Judgment Fund for payments arising out of No FEAR Act cases.

**3140.10—Contract Disputes Act – Agencies' Reimbursement Obligations**

Upon receipt of a reimbursement notice in a Contract Disputes Act case, an agency has 45 business days to repay the Judgment Fund or contact the Judgment Fund Branch to make written arrangements for reimbursing the Judgment Fund. An agency is non-compliant with the reimbursement requirement of the Contract Disputes Act if it fails to reimburse or make timely arrangements for reimbursement. An agency that fails to respond to a Contract Disputes Act reimbursement notice is identified as non-responsive in any reports on Contract Disputes Act reimbursements requested or required by Congress.

**3140.20—No FEAR Act – Agencies' Reimbursement Obligations**

Upon receipt of a reimbursement notice in a No FEAR Act case, an agency has 45 business days to repay the Judgment Fund or contact the Judgment Fund Branch to make written arrangements for reimbursing the Judgment Fund. An agency is non-compliant with the reimbursement requirement of the No FEAR Act if it fails to reimburse or make timely arrangements for reimbursement, as required by Office of Personnel Management (OPM) regulations at [**5 CFR § 724.104**](https://www.ecfr.gov/cgi-bin/text-idx?SID=c47837d90900ddc48c8a52b20ef77234&mc=true&node=se5.2.724_1104&rgn=div8). OPM’s regulations also require Fiscal Service to post an annual report of agencies that have failed to reimburse the Judgment Fund or contact Fiscal Service within 45 business days after receipt of a reimbursement notice. To view the report, a link is provided on the [**Judgment Fund Non-Compliance**](https://fiscal.treasury.gov/judgment-fund/reimbursing-judgment-fund.html) web page. The agency remains on this report until it reimburses the Judgment Fund or makes written arrangements for reimbursement.

**Section 3145—Accounting Requirements for Judgment Fund Payments and Reimbursements**

The Interpretation of Federal Financial Accounting Standards, Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions: An Interpretation of Statement on Federal Financing Accounting Standards (SFFAS) No. 4 and SFFAS No. 5*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated. To retrieve the Interpretation, visit the [**Federal Accounting Standards Advisory Board (FASAB)**](https://fasab.gov/accounting-standards/) website.

**3145.10—Accounting for Non-Reimbursable Payments**

In accordance with SFFAS No. 4, as amended by SFFAS No. 30, *Inter-Entity Cost Implementation*, the costs of program outputs must include the costs of services provided by other entities, whether or not the providing entity is fully reimbursed, such as losses in litigation proceedings (Judgment Fund transactions). SFFAS No. 30, issued in August 2005, requires full implementation of the inter-entity cost provision in SFFAS No. 4.

In accounting for unreimbursed costs, reporting entities should refer to the following for guidance:

* Relevant SFFAS, such as SFFAS Nos. 4, 5, and 30 (see [**FASAB’s**](https://fasab.gov/accounting-standards/) website),
* Relevant SFFAS Interpretations, such as Interpretation No. 2 and No. 6 (see [**FASAB’s**](https://fasab.gov/accounting-standards/) website),
* [**U.S. Standard General Ledger**](https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html), and
* Fiscal Service's [**Intragovernmental Transaction Guide**](https://tfm.fiscal.treasury.gov/v1/p2/c470.html) – Treasury Financial Manual (TFM) Volume I, Part 2 Chapter 4700, Appendix 6.

Reporting entities also should consult the Judgment Fund Branch (see Contacts) for information needed to properly record inter-entity costs for payments made from the Judgment Fund.

The following is a brief scenario for recording transactions related to a non-reimbursable Judgment Fund payment.

* An agency has determined that the probability of a legal claim ending in a loss against the federal agency is probable and the loss can be estimated. The agency recognizes an expense and contingent liability for the full amount of the expected loss.
* The Judgment Fund is determined to be the appropriate source for payment of the claim. The agency reverses the contingent liability and recognizes an imputed cost and imputed financing source with Treasury as the trading partner. The agency should use trading partner "020." Fiscal Service records it as a non-federal expense.

**3145.20—Accounting for Reimbursable Payments (Contract Disputes Act and No FEAR Act Payments)**

The following is a brief scenario for recording transactions related to a reimbursable Judgment Fund payment:

* An agency has determined that the probability of a legal claim ending in a loss against the federal agency is probable and the loss can be estimated. The agency recognizes an expense and contingent liability for the full amount of the expected loss.
* The Judgment Fund is determined to be the appropriate source for payment of the claim. The agency reverses the contingent liability and records a payable to the Judgment Fund (trading partner "020"). Fiscal Service records an expense in the permanent indefinite account (that is, the Judgment Fund), records the receivable from the agency in a miscellaneous receipt account, and posts the revenue.
* If the agency does not have available funds and is seeking a supplemental appropriation or is pursuing a reimbursement plan with Fiscal Service, then the federal agency reverses the contingent liability and records an accrued liability and future-funded expense.
* If the agency has arranged a reimbursement plan with Fiscal Service, then the federal agency reverses the contingent liability and records an accrued liability and operating expense.
* When an agency reimburses the Judgment Fund, the agency reduces the liability to Fiscal Service and its Fund Balance with Treasury. Fiscal Service records the reimbursement in a miscellaneous receipt account. The receivable with the agency is reduced.

For information on the accounting for the Judgment Fund, contact the Judgment Fund Branch (see Contacts).

**3145.30—Confirmation Process**

The [**Intragovernmental Transaction Guide**](https://tfm.fiscal.treasury.gov/v1/p2/c470.html) (TFM Volume I, Part 2, Chapter 4700, Appendix 6) provides the policies for federal program agencies to account for and reconcile transactions occurring within and between each other. On a quarterly basis, Fiscal Service posts the outstanding receivables and revenue balance for that period for both Contract Disputes Act and No FEAR Act payments to its website. In addition, at the close of every quarter, Fiscal Service sends the agency intragovernmental contacts confirmation notices that reflect outstanding receivables and revenue reported for that period. With the exception of the confirmation notice for the final quarter, agencies have 30 calendar days from the end of the quarter to respond to Fiscal Service at **Judgment.Fund@fiscal.treasury.gov**, regarding the accuracy of the amounts reported by Fiscal Service. With respect to the confirmation notice for the final quarter, agencies must respond by the deadline provided annually of that year. Agencies must provide supporting documentation (for example, Intragovernmental Payment and Collection System transactions, canceled checks) for any changes they want made to the posted balances. This process facilitates the reconciliation and reporting of these receivable balances and improves the quality of agency reporting.

Agencies' outstanding balances are posted on the following Fiscal Service’s websites:

* The [**No FEAR Act**](https://treasurydirect.gov/government/treasury-managed-accounts/no-fear/#id-each-agency-s-responsibility-773887)**,** and
* The [**Contract Disputes Act**](https://treasurydirect.gov/government/treasury-managed-accounts/contract-disputes/).

**3145.40—Financial Statement Accounting and Disclosure Requirements for Judgment Fund Receivables**

Fiscal Service reports receivables arising from payments under the Contract Disputes Act, No FEAR Act, and includes them in the appropriate disclosures in accordance with OMB Circular No. A-136, *Financial Reporting Requirements*. The receivables are presented on the balance sheet at their net realizable value. They are reported in the asset section under intragovernmental receivables.

**Contacts**

For information on the accounting for the Judgment Fund, contact:

Bureau of the Fiscal Service
Judgment Fund Branch, Mail Stop T4-B
PO Box 1328
Parkersburg, WV 26106-1328
Telephone: Toll free 866-277-1046
Email:**Judgment.Fund@fiscal.treasury.gov**
Website: [**Judgment Fund**](https://fiscal.treasury.gov/judgment-fund/)
Forms: [**Judgment Fund Electronic Filing**](https://fiscal.treasury.gov/judgment-fund/forms.html)

For information concerning [**Executive Order 13224**](https://www.state.gov/executive-order-13224/) or the SDN and Blocked Persons list, contact:

The Department of the Treasury's[**Office of Foreign Assets Control (OFAC)**](https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx) or call 800-540-6322.

# Chapter 3200

## Policy For Providing Depositary And Other Financial Services To Federal Agencies

This chapter describes the factors that determine when the Bureau of the Fiscal Service (Fiscal Service) will pay for certain collection and payment services and when the Fiscal Service will require a Federal agency to reimburse it for the cost of such services.

#### Section 3210—Background

The Revenue Collections Management Assistant Commissioner area (RCM) and the Payment Management Assistant Commissioner area (Payment Management) of the Fiscal Service provide depositary and other financial services to Federal agencies using a network of Federal Reserve Banks (FRBs) and financial institutions designated by the Fiscal Service to act as depositaries and/or fiscal and financial agents. In general, the Fiscal Service provides to other Federal agencies a range of collection and payment services at no cost to the agency. In some cases, the Fiscal Service may offer to other Federal agencies, on a reimbursable basis, specialized services that are related to but outside of the scope of the collection or payment process, or alternatively, a new customized solution that is not currently part of the Fiscal Service’s menu of services.

#### Section 3215—Authority

The Secretary of the Treasury has authority to collect receipts and pay funds drawn on the Treasury (31 U.S.C. § 321, 3301, 3321).

Unless otherwise authorized, all public money must be deposited in the Treasury or with depositaries designated by the Secretary (31 U.S.C. § 3302). To collect public money, the Secretary may offer a variety of collection services. The Secretary is authorized to charge a fee to any agency that fails to deposit its funds in a timely manner (31 U.S.C. § 3720).

Except as provided by statute or delegated to other agencies by the Secretary, only officers and employees of the U.S. Department of the Treasury may disburse public money (31 U.S.C. § 3321). The Secretary may designate a depositary to pay public money (31 U.S.C. § 3327). The Secretary is authorized to charge a fee to any agency that fails to disburse its funds in a timely manner (31 U.S.C. § 3335).

The Secretary may designate a financial institution as a depositary and/or financial agent, and when acting as a depositary or agent, that financial institution must perform all such reasonable duties as the Secretary requires (12 U.S.C. § 90, 265, and similar statutes). FRBs are Treasury’s fiscal agents pursuant to Federal law (12 U.S.C. § 391).

The Secretary has delegated these responsibilities to the Fiscal Service, a bureau of the U.S. Department of the Treasury.

#### Section 3220—Legally Required Services

Federal agencies receiving or holding public money from any source are statutorily required to deposit these funds into the U.S. Treasury, unless otherwise authorized by law. Except as otherwise provided by law, the Fiscal Service, as part of its mission, is the agency responsible for collecting, holding, disbursing, and accounting for public money on behalf of most Federal agencies. Consequently, Federal agencies generally may not hold public money outside of the U.S. Treasury and must deposit all public money into an account in the name of the U.S. Treasury using one of the various collection mechanisms established by the Fiscal Service.

The Fiscal Service provides these financial services to Federal agencies using fiscal or designated financial agents or depositaries, generally at no cost to the agency. These services, referred to as “nonreimbursable” services in this document, typically encompass depositary services and standard remittance processing for disbursement, collection, and accounting for the settlement of funds.

Examples of services that Federal agencies must obtain from the Fiscal Service include:

* Collection of fees, fines, or other monies;
* Deposit of monies into an account at a financial institution; and
* Disbursement of funds to the public.

#### Section 3225—Legally Authorized Services

The Fiscal Service is authorized to perform other financial services reasonably related to its core mission of providing central collection and payment services to Federal agencies.

Examples of services that the Fiscal Service is legally authorized, but not required, to provide to Federal agencies include:

* Lockbox-related services, such as detail sorting, special handling, photo-copying, custom file assembly, and issuance of receipts; and
* Custom cash management and other financial services in closed environments, such as military bases or Federal prisons.

Legally authorized services may be provided on either a reimbursable or nonreimbursable basis. Section 3235 discusses the criteria that the Fiscal Service considers when determining whether a service should be provided on a reimbursable or nonreimbursable basis.

#### Section 3230—Existing and Best-Suited Fiscal Service Collections and Payment Mechanisms

The Fiscal Service continuously strives to improve the Government’s overall cash management by working with Federal agencies to determine the most cost-efficient and effective cash management methods that will meet agencies’ missions and goals. In most cases, the Fiscal Service’s existing array of depositary and financial services are the most cost-efficient and effective cash management methods of meeting an agency’s requirements.

The Fiscal Service has sole discretion to decide which of its existing services provide the most efficient, cost-effective, and/or best-suited mechanism for a particular agency’s needs. If an agency chooses not to use the most efficient mechanism provided by the Fiscal Service, then an agency may have to pay for those services along with an inefficiency charge imposed by the Fiscal Service.

#### Section 3235—Criteria for Determining Whether a Financial Service Will Be Provided on a Reimbursable or Nonreimbursable Basis

The determination of whether the Fiscal Service will provide a particular financial service on a reimbursable or nonreimbursable basis depends on several factors. In general, the Fiscal Service is more likely to decide to provide a particular financial service on a nonreimbursable basis when it determines, in its sole discretion, that one or more of the following apply:

* The financial service directly facilitates the timely processing of collections or payments;
* The financial service has a significant positive impact on the ability to manage the Government’s cash position or account for funds;
* The information required to be gathered with a transaction does not hinder the timely deposit of the collection or processing of the payment;
* Only Treasury-designated agents and depositaries, or a Fiscal Service-approved subcontractor, may provide the service (that is, collecting, holding, disbursing, or accounting for public money), as opposed to financial services that the agency may perform or acquire on its own;
* The financial service advances more effective and centralized collections or payments;
* The financial service is for a collection other than a user fee (user fees should be priced to include the cost of collections and therefore should be reimbursed);
* The financial service is, or with minimal effort can be, offered Governmentwide, as opposed to a service that is customized for the needs of only one or a few agencies; or
* The Fiscal Service believes that providing the financial service is in the best interests of the Government.

#### Section 3240—Economy Act Considerations

The Fiscal Service expects Federal agencies to fulfill the requirements imposed on them under the Economy Act (31 U.S.C. § 1535). It is the sole responsibility of the Federal agency seeking reimbursable services from the Fiscal Service to ensure its agency’s compliance with the Economy Act.

**CONTACTS**

**Contact the office below with inquiries or written requests.**

Department of the Treasury
Bureau of the Fiscal Service
Bank Policy and Oversight Division
3201 Pennsy Drive, Building E
Landover, MD 20785
Telephone: 202-874-6751

Chapter 5000

**Withholding Of District Of Columbia, State, City, And County Income Or Employment Taxes**

This chapter prescribes instructions for withholding state, city, or county income taxes when an agreement has been reached between a state, city, or county and the Secretary of the Treasury (Secretary).

**Section 5010—Scope and Applicability**

Agreements between the Secretary and states, cities, or counties prescribe how federal agencies withhold income or employment taxes from the compensation of federal employees and armed forces members (see [**31 CFR Part 215**](https://www.ecfr.gov/cgi-bin/text-idx?SID=10983a286c5a3ae7fb4fa4f7f1ee262e&mc=true&node=pt31.2.215&rgn=div5)).

Included in Appendix 1 is a list of states that entered into agreements, the effective date of the agreement, and the designated state tax offices to receive inquiries. Included in Appendix 2 is a list of cities and counties that entered into agreements, the effective date of the agreement, the type of withheld tax for each city or county, and the designated city or county tax offices to receive inquiries. Appendix 3 includes a list of states, cities, and counties with other-than-standard agreements.

**Section 5015—Authority**

[**5 U.S.C. § 5517**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section5517&num=0&edition=prelim) and Executive Order 11997 (June 22, 1977) provide for withholding state income taxes from the compensation of federal employees and members of the armed forces when an agreement is made between the Secretary and the proper state official.

To comply with [**5 U.S.C. § 5516**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section5516&num=0&edition=prelim) (47 D.C. Code 15862) and Executive Order 11997 (June 22, 1977), the Secretary and an official of the District of Columbia entered into an agreement for withholding District of Columbia income taxes from the compensation of federal employees and armed forces members.

[**5 U.S.C. § 5520**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section5520&num=0&edition=prelim) and Executive Order 11997 (June 22, 1977) authorize the Secretary to make an agreement with the proper official of an eligible state, city, or county for withholding city or county income or employment taxes from federal employees’ compensation.

The Code of Federal Regulations ([**31 CFR Part 215**](https://www.ecfr.gov/cgi-bin/text-idx?SID=10983a286c5a3ae7fb4fa4f7f1ee262e&mc=true&node=pt31.2.215&rgn=div5)) governs withholding of state, city, and county taxes. It prescribes requirements for making agreements and contains the text of a standard agreement.

**Section 5020—Terms and Definitions**

The following terms apply to this chapter of the TFM. For additional terms that may be related to this chapter, please view the [**TFM Glossary**](https://tfm.fiscal.treasury.gov/tfm-glossary.html).

**Agency**—each of the executive agencies and military departments (as defined in 5 U.S.C. 105 and 102, respectively) and the United States Postal Service; and in addition, for city or county withholding purposes only, all elements of the judicial branch.

**City**—any unit of general local government

(1) which
(A) is classified as a municipality by the United States Bureau of the Census, or
(B) is a town or township which, in the determination of the Secretary of the Treasury,
(i) possesses powers and performs functions comparable to those associated with municipalities, and
(ii) is closely settled, and
(iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census, and
(2) within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government.

**City income or employment taxes**—any form of tax for which, under a city ordinance, (1) collection is provided by imposing on employers generally the duty of withholding sums from the pay of employees and making returns of the sums to a designated city officer, department, or instrumentality; and (2) the duty to withhold generally is imposed on the payment of compensation earned within the jurisdiction of the city in the case of employees whose regular place of employment is within such jurisdiction. Whether the tax is described as an income, wage, payroll, earnings, occupational license, or otherwise is immaterial.

**Compensation**—as applied to employees of an agency and members of the Armed Forces means "wages" as defined in 26 U.S.C. 3401(a) and regulations issued thereunder.

**County**—any unit of local general Government which is classified as a county by the Bureau of the Census and within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government.

**County income or employment taxes**—any form of tax for which, under a county ordinance, (1) collection is provided by imposing on employers generally the duty of withholding sums from the pay of employees and making returns of the sums to a designated county officer, department, or instrumentality; and (2) the duty to withhold generally is imposed on the payment of compensation earned within the jurisdiction of the county in the case of employees whose regular place of employment is within such jurisdiction. Whether the tax is described as an income, wage, payroll, earnings, occupational license, or otherwise is immaterial.

**District of Columbia income tax**—the income tax imposed under 47 District of Columbia Code, Chapter 15, Subchapter II.

**Employees** **for the purpose of State income tax withholding**—all employees of an agency, other than members of the Armed Forces. For city and county income or employment tax withholding it means:

(i) Employees of an agency,
(ii) Members of the National Guard, participating in exercises or performing duty under 32 U.S.C. 502, or
(iii) Members of the Ready Reserve, participating in scheduled drills or training periods, or serving on active duty for training under 10 U.S.C. 270(a).

The term does not include retired personnel, pensioners, annuitants, or similar beneficiaries of the Federal Government who are not performing active civilian service or persons receiving remuneration for services on a contract-fee basis.

**Employees for purposes of District of Columbia income tax withholding**—employees as defined in 47 District of Columbia Code 1551c(z).

**Members of the Armed Forces**—(1) all individuals in active duty status (as defined in 10 U.S.C. 101(d)(1)) in regular and reserve components of the Army, Navy, Air Force, Marine Corps, and Coast Guard, and (2) members of the National Guard while participating in exercises or performing duty under 32 U.S.C. 502, and members of the Ready Reserve while participating in scheduled drills or training periods or serving on active duty for training under 10 U.S.C. 10147.

**Ordinance**—an ordinance, order, resolution, or similar instrument which is duly adopted and approved by a city or county in accordance with the constitution and statutes of the State in which it is located and which has the force of law within such city or county.

**Regular place of Federal employment**—the official duty station, or other place, where an employee actually and normally (i.e., other than in a travel or temporary duty status) performs services, irrespective of residence.

**Secretary**—Secretary of the Treasury and Fiscal Assistant Secretary or his designee.

**State**—a state, territory, possession, or commonwealth of the United States or the District of Columbia.

**State income tax**—any form of tax for which, under a State statute, (1) collection is provided, either by imposing on employers generally the duty of withholding sums from the compensation of employees and making returns of such sums to the State or by granting to employers generally the authority to withhold sums from the compensation of employees, if any employee voluntarily elects to have such sums withheld; and (2) the duty to withhold generally is imposed, or the authority to withhold generally is granted, with respect to the compensation of employees who are residents of such State.

**Section 5025—Severance Pay**

Federal employees’ compensation subject to withholding of state, city, or county income or employment taxes includes severance pay, according to [**5 U.S.C. § 5595**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section5595&num=0&edition=prelim), if paid to a former employee. Severance pay remaining unpaid upon the death of a former employee is not subject to such withholding upon payment to a survivor or survivors.

**Section 5030—Administration of Agreements**

**5030.10 Agency Responsibility**

The heads (or designees) of agencies must comply with the provisions in the agreements and with state laws, city or county ordinances, regulations, and instructions concerning withholding taxes, filing returns, and paying taxes. Agencies should consult directly with tax authorities for obtaining forms and instructions. Agencies are to withhold the state, city, or county income or employment taxes only for those states, cities, and counties identified in Appendices 2 and 3. The E-Commerce Division (see contacts) will be consulted when an agency is requested to withhold a tax not identified in the appendices to this chapter as eligible for withholding.

**5030.20—Reciprocal Agreements**

Reciprocal agreements between states may modify requirements for withholding state income tax. These agreements generally relieve nonresident employees of their tax liability to the state in which they are employed. They also relieve their employer of the duty to withhold such taxes. To comply with Treasury-State withholding agreements, agencies must conform to the withholding provisions of reciprocal agreements.

**5030.30—Withholding Agent**

Agencies may use the same designated officers or employees for withholding state and city or county income or employment taxes as they use for withholding federal taxes. When required by the state, city, or county, agencies will provide the appropriate authorities the names of the designated federal officers or employees who perform the withholding duties.

**5030.40—Report of Noncompliance**

At the request of the Secretary, agency heads will furnish a report of noncompliance with provisions of any agreement or any information connected with the administration of the agreement.

**Section 5035—Withholding Requirements**

**5035.10—State Tax Withholding**

State tax withholding is a requirement for agency employees who are subject to the tax and whose regular place of federal employment is within the political boundaries of the state that has entered into an agreement. (See Section 5045 for military withholding instructions.)

**5035.20—City or County Tax Withholding**

City or county tax withholding is required for agency employees who are subject to the tax and (1) whose regular place of federal employment is within the city or county that has entered into an agreement or (2) is a resident of the city or county.

**5035.30—Regular Place of Federal Employment**

Generally, a designated “official duty station” is where federal employees report regularly to perform their duties. In the case of federal employees who regularly perform their duties at a place other than their “official duty station,” the jurisdiction in which the employee regularly performs their duties will be considered the regular place of federal employment.

**5035.40—Services Performed Outside a City or County**

Many city and county ordinances provide that withholding will be based on compensation paid for services performed only within the city or county. In most cases, this provision applies only to nonresidents of the city or county. Employees affected by this provision, who perform part of their services outside of the city or county away from their regular place of employment, must complete a withholding certificate. The certificate is to estimate the percentage of their annual compensation for services performed outside the city or county so withholdings may be reduced accordingly. In the absence of such certification, tax must be withheld based on the employees’ entire compensation.

To avoid large numbers of withholding actions, when only a moderate difference between the employees’ annual compensation and the estimated percent paid for services performed within the city or county exists, agencies should reduce withholdings only when employees perform 25 percent or more of their services outside the city or county. FS Form 7311: Employee’s Withholding Certificate for Local Taxes—City or County (Appendix 4), contains these instructions. See Subsection 5040.40 for more information on FS Form 7311.

**5035.50—Withholding Methods**

The amount of state, city, or county income or employment tax withheld from the compensation of an employee or member of the armed forces must, at a minimum, approximate the tax required to be withheld.

Agencies may accomplish withholding by one of the following methods:

* based on the applicable tax withholding rate(s) specified in the state, city, or county instructions,
* based on any other percentage or formula method, or
* by calculating the fixed amount deducted each pay period from the compensation of the employee or member of the armed forces.

**Section 5040—Tax Withholding Certificates**

**5040.10—Withholding Certificate Requirement**

Each agency may require its employees to complete a withholding certificate as the basis to properly withhold state and local taxes. The certificate should specify if the employee is subject to the tax, the employee’s residence and regular place of employment, exemptions, allowances (if applicable), and if an out-of-state employee consents to have city or county taxes withheld. A supervisor or designated employee should verify that the withholding certificate has been properly prepared. An agency may rely on the withholding certificate information unless it is contrary to information already held by the agency. The certificate will remain in effect until superseded by a new certificate prepared by the employee.

**5040.20—Submission or Non-submission of Withholding Certificate**

A withholding certificate completed by an employee gives the agency all the information to properly withhold tax. If an employee does not furnish a withholding certificate as requested by the agency, the agency will withhold at the maximum level applicable to the employee’s annual compensation. This latter provision does not apply to an employee who may opt for voluntary withholding; in this case, failure to submit a withholding certificate is a refusal of the withholding option available to the employee (Section 5065).

**5040.30—Forms To Be Used**

Agencies may use a withholding or exemption certificate furnished by a state, city, or county, if that document provides all the required information. If it does not, agencies may use a certificate approved by Treasury.

**5040.40—FS Form 7311: Employee's Withholding Certificate for Local Taxes**

Agencies may use FS Form 7311 if a local taxing authority does not furnish an appropriate certificate. This may require agencies to reproduce the FS Form 7311 for their own use. Any revision to the form must be approved in advance as required by [**TFM Volume I, Part 1, Chapter 2000**](https://tfm.fiscal.treasury.gov/v1/p1/c200.html). However, overprinting the form does not require clearance from Treasury. Obtain a copy of [**DD Form 2058 - State of Legal Residence Certificate**](https://tfm.fiscal.treasury.gov/media/2691/download?inline) from our website.

**5040.50—Information for States, Cities, or Counties**

Agencies may furnish copies of completed withholding certificates when requested by the taxing authority withholding the tax.

**Section 5045—Military Withholding**

**5045.10—Basis for Withholding**

When a state has made an agreement with the Secretary, state income taxes will be withheld from the compensation of members of the armed forces, based on the state of legal residence. Local taxes will be withheld from the compensation of (1) members of the National Guard participating in exercises or performing duty under [**32 U.S.C. § 502**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title32-section502&num=0&edition=prelim), and (2) members of the Ready Reserve participating in scheduled drills or training periods, or serving on active duty for training under [**10 U.S.C. § 10147**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title10-section10147&num=0&edition=prelim) if the local taxing jurisdiction has made an agreement with the Secretary.

**5045.20—Certification of Legal Residence**

Agencies will use DD Form 2058: State of Legal Residence Certificate, (Appendix 5), to:

* determine the state of legal residence for purposes of withholding,
* record changes of the state of legal residence, and
* notify the states of changes of legal residence according to the terms of the agreements.

**Section 5050—Accounting for Withheld Taxes**

The agency should record the amount withheld each pay period from the compensation of employees or members of the armed forces on their individual earnings records. The agency should disburse the total amount withheld each pay period from the appropriations from which the payroll is paid and credited to the deposit fund--X6275 “Withheld State and Local Taxes,” pending payment to the taxing authority. Agencies will maintain appropriate internal subsidiary records to show (1) the amounts withheld for each tax class and (2) a breakdown of the total taxes withheld for each taxing authority.

**Section 5055—Correction of Errors**

An error made in a prior pay period of the current calendar year will be corrected if the employee is still on the agency’s payroll. Corrections are to be made by adjusting the deduction for the current pay period by an amount sufficient to offset the error in the withheld taxes and the net pay of the employee. If the error occurred in a prior calendar year or the employee is no longer on the payroll, make no adjustment.

**Section 5060—Payment of Withheld Taxes**

**5060.10—Timing of Payments**

The basic provision in the Treasury agreements is that each agency will comply with the withholding requirements of the state, city, or county tax laws. Therefore, each agency must observe the payment requirements (biweekly, monthly, or quarterly) of the state, city, or county tax laws currently in effect. However, payment will not be made more frequently than required by the state, city, or county, or more frequently than the payroll is paid by the agency.

**5060.20—Payment Identification**

Checks will be issued by the disbursing office based on an SF 1166: Voucher and Schedule of Payments, or other approved voucher form. For more information on the use of the SF 1166, see [**TFM Volume I, Part 4A, Chapter 3000**](https://tfm.fiscal.treasury.gov/v1/p4/ac300.html). Related tax payment documents prescribed by the states, cities, or counties will accompany checks sent to states, cities, counties, or their collection agents. If using an SF 1166, a copy of the tax payment document will be considered a basic voucher for the payment, and no other voucher is required. The word “Taxes” should be entered in the “Voucher No.” column of the SF 1166.

**Section 5065—Voluntary Withholding**

**5065.10—Statutory Election**

When a state tax statute provides for voluntary withholding, agencies will withhold state taxes only from those employees or members of the armed forces who elect such withholding.

**5065.20—Regulations Providing for Voluntary Allotments**

The Office of Personnel Management (OPM) pay regulations [**5 CFR § 550.351**](https://www.ecfr.gov/cgi-bin/text-idx?SID=098c948e57e3bd6289083a89ba6e405e&mc=true&node=pt5.1.550&rgn=div5#se5.1.550_1351) provide for voluntary payroll deductions of state, District of Columbia, or local income or employment taxes from salaries of federal employees who have a legal obligation to pay, whether or not Treasury has a withholding agreement with their taxing jurisdiction. Agencies may also refer to the Federal Personnel Manual (FPM) Supplement 990-2 of May 11, 1981.

**5065.30—Accounting for Voluntary Withholding**

Agencies should deposit the amount of voluntary withholding in the deposit fund--X6275 “Withheld State and Local Taxes” and accounted for as prescribed in Section 5050.

**Section 5070—Disclosure of Withholding Information**

**5070.10—Annual Wage and Tax Information Returns**

Annual wage and tax information furnished to taxing authorities must comply with the Privacy Act of 1974 (Public Law 93-579 codified as [**5 U.S.C. § 552(a)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title5-section552a&num=0&edition=prelim) - "Records maintained on individuals"). If an agency has not obtained prior written consent of an employee or has not published a routine use in the Federal Register, an agency will furnish wage and tax information, under this section only, to taxing authorities with whom the Secretary has entered into agreements (Appendices 2 and 3).

The information returns will consist of the name, address, social security number, wages (as defined in [**26 U.S.C. § 340l(a)**](https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title26-section3401&num=0&edition=prelim) of the Internal Revenue Code), and the amount of tax withheld, if any.

**5070.10a—Disclosure to States**

In the case of an agreement with a State, agencies will provide the indicated information with respect to those employees who (1) are subject to mandatory withholding, or (2) may elect withholding under a state law.

**5070.10b—Disclosure to Cities or Counties**

Agencies that have an agreement with a city or county will provide the indicated information with respect to employees who are subject to (1) mandatory withholding or (2) city or county taxes, but not subject to mandatory withholding because they are not residents or not employed in the state in which the city or county is located, whether or not they have opted for voluntary withholding (Section 5065).

**5070.10c—Notices of Routine Use**

Each agency must publish notices of routine use in the Federal Register to comply with the Privacy Act of 1974, indicating the information under this subsection routinely disclosed by such agency to state, city, or county authorities and the circumstances under which such disclosure is made.

**5070.10d—Additional Disclosure and Inspection of Records**

Agencies are not required by the terms of Treasury’s withholding agreements to provide any additional information or more frequent wage and tax information returns to State, city, or county taxing authorities than is outlined in this section, or to submit to any inspection or audit of payroll records by State, city, or county taxing authorities.

**5070.20—Exemption Certificates**

Employees who would otherwise be subject to mandatory withholding pursuant to an agreement between the Secretary and an applicable state, city, or county authority, may file a certificate indicating that they are not subject to the tax. In such cases, the agency may provide, to the designated official of the state, city, or county imposing the tax, information concerning employees who claim to be exempt from the tax. Such information will include the name, social security number, and the claimed basis for exemption.

Each agency must determine the basis for exemption from the tax that are acceptable under the law. Agencies should ensure compliance by requiring the use of appropriate tax exemption certificates.

**5070.30—Notice to Employees**

Agency forms, including withholding and exemption certificates, will comply with the Privacy Act of 1974. When using a state, city, or county form, each agency must provide the employee from whom the information is solicited a Privacy Act Notice, either on the applicable form or on a separate sheet of paper. A suggested statement follows:

*The following information is provided to comply with the Privacy Act of 1974 (Public Law 93-579). The social security number is required under the authority of Executive Order 9397 to provide taxpayer identification. The other information is required under the provisions of 5 U.S.C. 5516, 5517, or 5520 for the purpose of implementing a federal agreement with the state, city, or county relating to withholding of state, city, or county income or employment taxes to comply with a state law or municipal or county ordinance. The information provided may be disclosed to state, city, or county officials to ensure that the taxpayer’s account has been properly credited for the amounts withheld. Failure to disclose the information requested may affect the determination of the accuracy of the amount withheld.*

**Contacts**

Direct inquiries concerning this chapter to:

Department of the Treasury
Bureau of the Fiscal Service
Payment Management
E-Commerce Division (LCB-RM 349B)
3201 Pennsy Drive, Building E
Landover, MD 20785
Telephone: 202-874-9428

# Chapter 8500

## Cash Forecasting Requirements

This chapter prescribes special instructions that federal departments and entities must follow to report deposit and disbursement information for cash forecasting purposes.

#### Section 8510—Scope and Applicability

This chapter describes the procedures that the federal departments and entities must follow in providing information to the Department of the Treasury (Treasury), Bureau of the Fiscal Service (Fiscal Service) for maintaining and updating projections of the Treasury’s operating cash balance, that is, the federal government’s cashflow.

#### Section 8515—Authority

31 U.S.C. 3511, 3513

#### Section 8520—Terms and Definitions

For terms and definitions related to this chapter, please view the [**TFM Glossary**](https://tfm.fiscal.treasury.gov/tfm-glossary.html).

#### Section 8525—Background and Concepts

These cash forecasting requirements instruct entities to report to Treasury, in advance, transactions that will significantly affect the Treasury General Account (TGA).

Two of Treasury’s primary responsibilities are forecasting and monitoring the federal government’s overall cash requirements. Treasury maintains a forecast of entities’ daily cash requirements for up to 12 months in advance. Treasury uses these forecasts to determine the amount and timing of federal government borrowing and investments of excess cash balances.

Treasury prepares and continually updates cashflow projections based on information provided quarterly by entity budget offices in accordance with the Office of Management and Budget (OMB) Circular No. A-11, Part IV, Section 135, “Procedures for Monitoring Federal Outlays.” These submissions provide estimates of total monthly spending for various programs, including individual accounts. They also include information regarding large ($50 million or more) transactions. However, the amount and timing of large transactions may change significantly after the OMB Circular No. A-11 forecast has been provided. In addition, during OMB Circular No. A-11 submissions, emergency spending may be authorized and appropriated, or new types of collections might occur.

Government entity reporting of cash forecasting information is critical for the maintenance of accurate, up-to-date cashflow projections, and for the daily management of Treasury’s operating cash balances. Failure to notify Treasury of significant disbursement activity can cause the TGA to lack sufficient funds to cover entity payments.

These cash forecasting requirements apply to all Treasury and non-Treasury disbursing offices, since all deposits and disbursements flow through the TGA. They also apply to all federal appropriation, receipt, and fund accounts, both budgetary and off-budget, including deposit fund, trust fund, general fund, special fund, revolving fund, foreign currency, credit financing, clearing, and suspense accounts.

Reporting of U.S. Military pay transactions and Defense Department (Defense) payments to vendors is essential to the effective and efficient management of Treasury’s operating cash balances. Procedures in this chapter standardize the information provided by the Defense Finance and Accounting Service (DFAS) centers and other Defense installations.

**Note:** Advance information regarding payment or deposit transactions provided to Treasury by entity sources is administratively restricted and **is not for public release** before the transaction settlement date. Its use is restricted to a limited number of individuals involved in budget, cash, and debt management.

#### Section 8530—General Large Dollar Notification (LDN) Reporting Requirements for Deposits and Disbursements

Entity financial officers must report to Fiscal Service, in advance, all estimated deposits totaling $50 million or more in a single transaction or in multiple transactions of a common nature by ALC.

Entity financial officers, Treasury FCs, non-Treasury disbursing offices, and entities with delegation of disbursing authority must report to Fiscal Service, in advance, all estimated disbursements totaling $50 million or more. These disbursements may include a single transaction, multiple transactions of a common nature, and repetitive transactions.

LDN reporting requirements for deposits and disbursements include U.S. Military active duty and Military retiree payments, Defense payments to vendors, and other recurring monthly, quarterly, or one-time transactions. Appendix 1 lists examples of entity deposits and disbursements for which an advance notification is required.

For deposits and disbursements between $50 million and $500 million, Fiscal Service requires that entities report LDNs a minimum of two business days in advance of the settlement date. For deposits and disbursements of $500 million or more, Fiscal Service requires that entities report LDNs a minimum of five business days in advance of the settlement date. Often entities do not have exact amounts; however, a close estimate is acceptable and can be updated when a more accurate amount is determined. Intra-agency transfers to be processed via the Intra-governmental Payments and Collections (IPAC) system are not subject to LDN requirements.

If specific deposit or disbursement information is not final, entities must inform Fiscal Service daily by 7:30 a.m. Eastern Time on the transaction settlement date, of the approximate amount and approximate deposit or disbursement date. An entity must establish an internal process for purposes of informing its financial officers of upcoming LDN disbursements or deposits. This process must build in enough advance notice to the entity's financial officers that they can comply with the two- and five-business day minimum timeframes required (as described in the preceding paragraph) for providing the necessary LDN information to Treasury, which Treasury needs for forecasting purposes.

Fiscal Service encourages entity financial officers to submit LDNs to Fiscal Service via the [**CASH TRACK**](https://www.cashtrack.for.fiscal.treasury.gov/CashTrack/) website (see Contacts). To report LDNs via the CASH TRACK website, Fiscal Service requires the following information:

* Transaction settlement date,
* Amount,
* Type of transaction (RCPT or PYMT),
* Mechanism (ACH or wire), and
* ALC.

Entities also can supply LDNs to Fiscal Service via email using FS Form 187: Agency Report for Treasury Cash Reporting Advance Notice of Large Deposits or Disbursements of $50 Million or More (see Appendix 2); or by telephone (see Contacts). When supplying an LDN by means other than the CASH TRACK website, entities must provide the following information that is listed on the FS Form 187:

* Date of report,
* Name and address of the department, entity, bureau, or administration,
* ALC or Defense Station Symbol Number (DSSN),
* Contact name and telephone number,
* Description of the transaction (deposit or disbursement),
* Transaction settlement date,
* Amount of the transaction,
* Deposit or disbursement mechanism (Fedwire, ACH, or check),
* FRB location, required for transactions processed by FRBs, and
* Name and location of the depositary or payee.

In addition to these general reporting requirements, the following sections describe the specific reporting requirements for daily disbursements, Defense vendor payments, U.S. Military pay, and other reporting for cash forecasting.

#### Section 8535—Reporting Requirements for Daily Disbursements

A number of entities consolidate individual transactions and process multiple payments on a daily basis. While an individual item in a payment file may not be significant, the daily total for the entity’s spending may have a substantial impact on Treasury’s operating cash balance.

All entities processing daily ACH and Fedwire payments via Treasury disbursing offices or FRB services must report daily disbursement totals of $50 million or more to Fiscal Service via the CASH TRACK website or using FS Form 187.

Refer to Contacts for the email address and telephone number.

#### Section 8540—Reporting Requirements for Defense Department (EFT) Vendor Payments

All DFAS centers and other Defense installations making EFT payments to vendors must report daily payment totals to Fiscal Service via the CASH TRACK website or using FS Form 187.

Refer to Contacts for the email address and telephone number. When there are circumstances unique to a DFAS center, Treasury works with the center to design a reporting form that addresses those circumstances.

#### Section 8545—Reporting Requirements for U.S. Military EFT Payroll

All DFAS centers and other Defense installations making EFT payments for Military active duty and Military retirees must report payment totals of $50 million or more to Fiscal Service via the CASH TRACK website or using FS Form 187. Fiscal Service requires a minimum of two business days advance notice for these payments.

U.S. Military active pay includes the following pay classifications: active duty pay, reserve pay, cadet pay, active salary allotments, active blanket pay, and voluntary separation incentives. These payments usually occur on the 1st and the 15th calendar days of each month. When the 1st or the 15th day falls on a weekend or on a holiday, the payment is processed as of the prior workday. The sample form in Appendix 2 includes all required information fields. Refer to Contacts for the email address and telephone number.

U.S. Military retiree pay includes the following pay classifications: retired pay, retired allotments, retired annuities, and retired blanket pay. These payments usually occur on the 1st calendar day of the month. When the 1st day falls on a weekend or a holiday, the payment is processed as of the next workday. The form in Appendix 2 includes all required information fields. Refer to Contacts for the email address and telephone number.

#### Section 8550—Other Reporting Requirements for Cash Forecasting

Treasury may request that certain entities report routine daily, weekly, or monthly estimated deposit and disbursement activity. Treasury may require that an entity provide a rolling forecast covering, for example, daily estimates for three business days or estimated weekly totals of deposits and disbursements for a six-week period.

The need for such reporting generally is determined by the magnitude of dollar amounts and the volatility of timing for such activity. In such cases, Treasury works with both entity budget and financial office personnel to set up reporting schedules and forms that achieve Treasury’s information requirements within the framework of the entity’s information systems and staffing.

#### Contacts

***To report cash forecasting information to the Fiscal Service Cash Reporting Branch, use the following:***

Telephone: 202-874-9789
Email:**Cash.Reporting@fiscal.treasury.gov & stls.forecasting@stls.frb.org**
Website: [**CASH TRACK**](https://www.cashtrack.for.fiscal.treasury.gov/CashTrack/)

***To become a CASH TRACK web user, use the following:***

Federal Reserve Bank of St. Louis
CASH TRACK Central Business Administration Function (CBAF)
Telephone: 314-444-8700

***For any questions or to request forms described in this chapter, contact:***

Cash Reporting Branch
Central Accounting and Reporting Division
Room 3068
Bureau of the Fiscal Service
PO Box 1328
Parkersburg, WV 26106-1328
Telephone: **202-874-9789**

Chapter 9500

**Revised Federal Financial Management System Requirements For Fiscal Reporting**

This chapter notifies agencies of the revised Federal Financial Management System Requirements.

**Section 9510—Scope and Applicability**

One purpose of the Federal Financial Management Improvement Act of 1996 (FFMIA) was to provide for the establishment of uniform financial systems, standards, and reporting. In support of this purpose, the Financial Systems Integration Office (FSIO), previously the Joint Financial Management Improvement Program (JFMIP), developed and issued core financial system requirements and administered a software certification program to evaluate financial system software for compliance with the requirements. Activities to implement FFMIA became increasingly burdensome over time and offered limited flexibility to reduce the cost, risk, and complexity of financial system modernizations. To remedy these issues, the Office of Management and Budget (OMB) assigned the Department of the Treasury (Treasury) the responsibility of developing and maintaining a revised set of financial management system requirements.

**Section 9515—Authority**

For agencies subject to the Chief Financial Officers Act of 1990 (CFO Act), this Treasury Financial Manual (TFM) chapter provides guidance for using these requirements when determining compliance with the FFMIA.

**Section 9520—Terms and Definitions**

For terms and definitions related to this chapter, please view the [TFM Glossary](https://tfm.fiscal.treasury.gov/tfm-glossary.html).

**Section 9525—Requirements**

Appendix 1 below contains the revised Federal Financial Management System Requirements that Treasury updated, in consultation with federal departments and agencies and other financial management stakeholders. The updated requirements are revised to:

* focus on business outcomes rather than technology,
* be neutral to how an agency achieves the financial management business outcomes (e.g., software, shared services),
* emphasize financial management outcomes unique to the federal government (e.g., funds control), and
* apply to both administrative systems and programmatic systems that support financial management business outcomes (that is, “mixed systems”).

Agencies should use the Federal Financial Management System Requirements in the pre-acquisition, acquisition, and implementation of new financial management solutions (manual or automated). In addition, agencies should use the Federal Financial Management System Requirements in accordance with Appendix D (Compliance with the Federal Financial Management Improvement Act of 1996) to OMB Circular A-123 (Management’s Responsibility for Enterprise Risk Management and Internal Control). Appendix D is a new appendix to Circular A-123 and contains an outcome-based approach to assess FFMIA compliance through a series of financial management goals that are common to all agencies.

Supplemental Information: As managing partner for the Financial Management Line of Business (FMLoB), Treasury’s Office of Financial Innovation and Transformation has developed a set of FM Standard References, which include the Federal Financial Management System Requirements and other documents, to guide agencies in improving the cost, quality, and performance of federal financial activities and solutions ([Financial Management Standards](https://www.fiscal.treasury.gov/fmsc/financial-management-standards.html#:~:text=FIT%20is%20responsible%20for%20developing%20and%20maintaining%20the,and%20with%20the%20Financial%20Management%20Standards%20Committee%20%28FMSC%29.)).

**Contacts**

Direct questions regarding this chapter to:

Department of the Treasury
Bureau of the Fiscal Service
Financial Innovation and Transformation
3201 Pennsy Drive, Building E
Landover, MD 20785
Email: FMSC@fiscal.treasury.gov