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# Treasury Financial Manual

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## Chapter 3200

### Foreign Currency Accounting and Reporting

This Treasury Financial Manual (TFM) chapter prescribes the reporting requirements for foreign currency transactions. It covers the Department of the Treasury (Treasury) requirements relating to the accounting for and reporting of foreign currencies acquired either by purchase with dollars from commercial sources or received by Accountable Officers without purchase for dollars. Generally, these currencies are acquired under the provisions of foreign assistance or foreign agricultural development programs. The requirements of this chapter are applicable to all United States military branches, Treasury Disbursing Offices (TDOs), and Non-Treasury Disbursing Offices (NTDOs) having this type of activity.

#### Section 3210—Authority

The procedures prescribed by this chapter are required pursuant to Title 31 of the Code of Federal Regulations, Part 281.

Executive Order No. 10488 dated September 23, 1953, as amended, authorizes the Secretary of the Treasury (Secretary) to prescribe regulations for the administration and reporting of the purchase, custody, deposit, transfer, and sale of foreign currency by all executive departments and entities of the United States.

Pursuant to 31 U.S.C. 3513, the Secretary of the Treasury shall prepare reports that will inform the President, Congress, and the public on the financial operations of the United States Government. The head of each executive entity shall give the Secretary reports and information on the financial conditions and operations of the entity the Secretary requires to prepare the reports.

Additional guidance can be found in [TFM Volume I, Part 2, Chapter 4700](#)

#### Section 3215—Definitions

For terms and definitions related to this chapter, please view the [TFM Glossary](#).

#### Section 3220—Reporting Requirements

This section defines the reporting requirements for government entities as they relate to the purchase of foreign currency and non-purchase foreign currency X7000 accounts. Each entity should report foreign currency held by the United States on its Adjusted Trial-Balance by U.S. Standard General Ledger (USSGL) account for ultimate inclusion in the Financial Report of the United States.

Entities are required to report foreign currency balances as the Department of State is not responsible for maintaining balances for any X7000 account other than its own. The Department of State provides entities with SF 1221s that list transactions processed against X7000 accounts. As part of the SF 1221, the entity's USDO provides a detailed listing of transactions (processed vouchers and collection documents), sometimes called Voucher Audit Detail Reports (VADRs) or submits an SF 1167: *Voucher and Schedule of Payments*. Entities should add collections to or subtract disbursements from balances of foreign currency held. The amounts appearing in the U.S. dollar equivalent column of the SF 1221 are actually the foreign currency amounts, not the U.S. equivalent. Entities should record on their General Ledgers (GLs) collections and disbursements at the prevailing rate of exchange on the posting date during the month processed and this rate should be obtained from each entity's USDO.

### **3220.10—Uniform Reporting**

This sub-section establishes rules governing certain aspects of foreign currency reporting by entities to achieve comparability and consistency between reports with similar coverage. These procedures are not intended to place prohibitive limitations on the content of entity reports. Modification of prescribed reporting formats is permitted by means of special columns, explanatory notes, or other devices, provided the integrity of the basic data is maintained and the nature, extent, and purpose of departures from the procedures are fully disclosed. However, any material modification should be cleared by Treasury (see Contacts).

### **3220.20—Monthly Statements of Accountable Officers**

Statements of transactions and balances of foreign currencies held outside dollar accountability as recorded by the Accountable Officers will be submitted monthly. Amounts of foreign currency will be stated in foreign currency units at the level of individual X7000 accounts. Transactions will be classified or coded to provide for separate identification of receipts, disbursements, sales for dollars, transfers, conversions to third country currency, and other transaction classes if needed. Ordinarily, a copy of the regular monthly X7000 file prepared by Accountable Officers will meet this requirement. The file will be transmitted as soon as possible after the close of the reporting month, but not later than 20 calendar days thereafter to Treasury (see Contacts). For additional guidance, please see [TFM Volume I, Part 4A, Chapter 3000](#) and [TFM Volume I, Part 4A, Chapter 4000](#).

### **3220.30—Quarterly Reports of Accountable Officers**

Within 45 calendar days after the close of each quarter, Accountable Officers will submit to Treasury (see Contacts) consolidated quarterly reports (commonly

referred to as International Balance of Payments Report) stating the amounts (cumulative for the FY through the end of the reporting quarter) of foreign currencies purchased with dollars from sources outside the U.S. Government. The amounts reported will include acquisitions of currencies through accommodation exchange transactions as well as purchases from banks and other exchange dealers. The report will be in the form of a listing under the following headings: "Country of Currency," "Monetary Unit," "Number of Units Purchased," "Total Dollar Outlay," and "Memorandum Dollar Outlay for Accommodation Exchange."

Supplementary to the consolidated reports, Accountable Officers will also attach reports at the end of each quarter stating the balances of foreign currencies on hand under the dollar accountability, as well as reports of foreign currency received and credited directly to miscellaneous receipt accounts. These currencies are received for such things as fees and services and are immediately purchased with appropriated funds for entities' operating needs. Repayments to appropriations and receipts to foreign transaction X7000 accounts are excluded. Each report will be in the form of a listing under the following headings: "Country of Currency," "Monetary Unit," "Number of Units," "Dollar Equivalent," and "Exchange Rate."

A copy of all reports submitted to Treasury should also be submitted simultaneously to the Bureau of Economic Analysis/Balance of Payments Division, BE-58/4600 Silver Hill Road, Suitland, MD 20746.

#### **3220.40—Semi-annual Statement of Balances**

Treasury will compile from its central accounts a semi-annual report entitled "Foreign Currencies Held by the U.S. Government." This report shows foreign currency balances (in currency units and dollar equivalents) held by Accountable Officers for the report of entities excluding currencies held under dollar accountability. This statement will be prepared as of March 31 and September 30 each fiscal year. An electronic copy of the statement, or segment thereof, will be furnished to each entity for which balances are held.

Each entity will review the statement for agreement with its records. The initial review and return process should be accomplished within 10 working days following receipt from Treasury. If the balances presented in the report reconcile with entity balances for the time period represented, the entity will furnish to Treasury (see Contacts) a letter stating concurrence with the balance in question. If any discrepancies in the balances are identified by the entity during the review process, a letter of non-concurrence and a reconciliation of the balance held by the entity will be furnished to Treasury (see Contacts). Treasury will cooperate with each entity that has identified a discrepancy in balance(s) held and work to adjust balance(s) as necessary. As adjusted, it is a complete statement of the foreign currency balances held by Accountable Officers for the report of the entity and agrees with the records and reports of the entity.

#### **3220.50—Semi-annual Report On Country Owned Currencies**

Each entity which administers the United States interest in foreign country owned "counterpart" funds will submit a semi-annual report, as of September 30 and March 31, of the unexpended balances of such funds. The report will be stated by country, currency units, and dollar equivalents and will be submitted on or before the date of return of the adjusted statement described in Sub-section 3220.40.

## **Section 3225—Administration of Foreign Currency**

### **3225.10—Collections**

Foreign currencies collected by entities will be delivered promptly into the custody of Accountable Officers for credit to accounts of the Treasury unless otherwise directed by the Secretary of the Treasury. The term "collections," for the purpose of these regulations, does not include foreign currencies acquired by the United States by purchase with dollars.

Examples of non-purchased currency acquisitions:

- Sales of Surplus Agriculture Commodities,
- Repayments of Loans to Foreign Governments & Private Enterprise,
- Contributions for Mutual Defense Assistance,
- Interest on Deposits,
- Lend-Lease and Surplus Property Settlement Agreements,
- Contributions to Cover Technical Cooperation Programs (Trust),
- Informational Media Programs, and
- Other Miscellaneous Programs.

The Accountable Officer will maintain records showing the collections, by source, and indicating the miscellaneous receipt accounts or other accounts in the Treasury to be credited with dollar proceeds from sale of the foreign currencies, and such further classifications as may be needed to indicate exchange which can be used only for restricted purposes. Accountable Officers will be advised by the collecting entities of the source of collections and any restrictions on the use of the foreign currencies in order that the foregoing records may be maintained.

### **3225.20—Guaranty Funds**

The requirements prescribed in this Treasury Financial Manual chapter are applicable to all foreign currency acquired by the United States under guaranty provisions of Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), except that receipts of such foreign currency will be deposited in the foreign currency accounts of the U.S. Treasury.

### **3225.30—Depositaries**

Foreign currency which is held by Accountable Officers for account of the Treasury will be maintained only in depositaries designated by the Secretary of

the Treasury. Foreign currency acquired by Accountable Officers by purchase or otherwise, which is not immediately disbursed but is held by such officers for their own account or for the account of any entity, will also be maintained only in depositories designated by the Secretary of the Treasury. Unless otherwise directed by the Secretary, Accountable Officers are not required to have separate depository accounts for foreign currency held for the account of the Treasury. Accountable Officers may carry foreign currency as cash outside depositories only pursuant to authority granted in accordance with [TFM Volume I, Part 4A, Chapter 3000](#).

Deposits in and withdrawals from foreign currency accounts maintained with depositories in the name of the U.S. Treasury will be made only as directed by the Secretary.

#### **3225.40—Withdrawals from Treasury Accounts**

Foreign currency will be withdrawn from accounts of the Treasury on the books of Accountable Officers or from the foreign currency accounts carried with depositories in the name of the U.S. Treasury, only for the purpose of: (1) sale for dollars, or (2) transfer to entities for authorized purposes, without reimbursement to Treasury, as required by law. Such transfers will be made only by direction of the Secretary. An entity requiring foreign currency from Treasury will submit a request to the Secretary, indicating the amount of exchange required, in units of foreign currency, and the name and location of the Accountable Officer to receive the exchange. To the extent practicable and desirable, standing authorizations will be given for withdrawals from accounts of the Treasury.

#### **3225.50—Transfers Without Reimbursement**

When foreign currency is to be obtained from Treasury without payment of dollars, the entity concerned will furnish written certification that the exchange may be used without reimbursement to Treasury, citing the relevant legal authority. In cases where international agreements or Office of Management and Budget allocations specify the programs for which foreign currency may be used, Treasury may transfer foreign currency to entities without requiring a certification.

Foreign currency so allocated is part of the entity's fund balances maintained by Treasury; therefore, for total accountability, the foreign currency should be included in the financial statements as part of the Fund Balances and Investment of the U.S. Government, with an explanatory footnote as to the use and availability of the currency, e.g., "not available for the payment of general obligations."

#### **3225.60—Unfunding**

Public Law 89-677 authorizes unfunding, which allows a USDO to use foreign currency held by entities to meet the foreign currency needs of other entities. The unfunding process provides that, when entities receive foreign currencies that are not immediately needed for entity program expenditures, the Accountable

Officers or authorized agents must unfund all affected program accounts before purchasing foreign currency commercially. As a result of this, each entity should record a receivable transaction to its GL, indicating that this amount represents the U.S. equivalent of foreign currency owed to the entity by Treasury.

The purpose of unfunding is twofold: It makes use of foreign currency not currently needed by the entity program, and it delays the expenditure of U.S. dollars to purchase foreign currency.

To unfund all affected accounts, an Accountable Officer must reclassify funds using the CARS Classification Transactions and Accountability (CTA) module. Through this process, the Accountable Officers:

- Credit entity program X7000 accounts,
- Unfund the accounts through Treasury's account 20X7900 "Advances of Unfunded Foreign Currencies",
- Use the funds for any U.S. Government expenditure, and
- Reimburse the program account when the foreign currency is required for the particular program intended.

If necessary, to reimburse the borrowed foreign currency, the Accountable Officers may purchase the foreign currency commercially with U.S. dollars. It is important to note that these foreign currencies credited to specific entity program accounts are initially acquired without the expenditure of U.S. dollars. They may be host-government contributions or loan repayments, for example.

## **Section 3230—Translating Foreign Currencies to U.S. Dollar Equivalentents**

### **3230.10—General**

The procedures prescribed apply to all foreign currencies in which the United States has an interest, including receivables and country-owned "counterpart" funds, except currencies held under the dollar accountability of Accountable Officers. Foreign currencies held under dollar accountability will continue to be reported at the exchange rates prescribed for computing charges and credits to dollar receipt, appropriation, and fund accounts.

For reporting purposes, financial transactions and balances for which the basic value measure is foreign currency units will be translated to U.S. dollar equivalentents at [Treasury Reporting Rates](#) (Sub-section 3230.20c). Unless otherwise provided, this rule applies to all types of transactions and balances including, for example, receipts and disbursements, accrued revenues and expenditures, authorizations, obligations, and receivables and payables. Refunds and similar reverse-transaction items shall be translated for reporting purposes at Treasury Reporting Rates prescribed for the period when the refunds occur without regard to the rates applied to the original transactions. Adjustments will be shown as necessary to record the effects of exchange rate fluctuations.

### **3230.20—Exchange Rates**

### **3230.20a—Agreement Rates**

Agreement rates are the rates provided in international agreements regarding the number of units of foreign currency corresponding to a given dollar amount for the purpose of effecting collections of currencies. To the extent that such rates are not otherwise available to Treasury, collecting entities will furnish the agreement rates promptly after the close of each month for purposes of translations.

Foreign currency collection transactions which are generated under international agreements will be translated at agreement rates unless otherwise determined by Treasury in consultation with the entities concerned. Refunds (return) of collections will also be translated at agreement rates if the related collections had been stated on that basis. (Adjustments will be shown as necessary to record the effects of differences between the agreement rates applicable to collections and the [Treasury Reporting Rates](#) applicable to balances).

### **3230.20b—Selling Rates on Withdrawals from Treasury Accounts**

Concerning the sale of foreign currency held in accounts of the Treasury, the payment in dollars will be calculated at the rate of exchange that would otherwise be available to the United States for the acquisition of the foreign currency for its official disbursements, unless otherwise determined by Treasury in consultation with the entities concerned. When the rate that would otherwise be available to the United States is not readily ascertainable, entities must consult with Treasury (see Contacts). The dollar proceeds realized from the sale of foreign currency will be credited to the appropriate receipt, appropriation, or fund account on the books of Treasury. The dollar payment for foreign currency purchased will not be charged as appropriation expenditure until the foreign currency is disbursed.

In the case of foreign currencies sold for dollars, the sales transactions will be stated at the prevailing rate of exchange on the day of sale; that is, the dollar equivalents of reported sales will equal the dollar proceeds of the sales.

### **3230.20c—Treasury Reporting Rates**

[Treasury Reporting Rates](#) are the rates at which most foreign currencies are to be translated under provisions of these regulations. In general, the rates will be published by Treasury on the first working day of each quarter and will represent the latest available Treasury prevailing rate in each country. The rates published at the beginning of a quarter will be applicable to closing balances of the preceding quarter, and to transactions and balances in the ensuing quarter, but not to balances at the close of such quarter. For example, the rates published on April 1 would be applicable to balances as of March 31, to transactions for April, May, and June, and to balances as of April 30 and May 31. The rates published on July 1 will govern the balances as of June 30.

Balances as of the close of a month and opening balances of the succeeding month must always agree. The published rates will be rounded to four digits past the decimal. For countries where fluctuations in Treasury prevailing rates are minimal, par or mean rates may be prescribed. Amendments to the quarterly rates will be published during the quarter to reflect significant changes in the quarterly data such as rate changes of 10 percent or more, the establishment of new currencies or demonetization of currencies. Treasury will monitor the fluctuation of currencies on the 15th and 30th calendar days of each month, respectively.

In the case of third-country conversions (the conversion of one foreign currency to another), the Treasury Reporting Rate will be applied to the payment side (the currency released) and the same dollar equivalent will be used for the currency acquired, thereby "washing" the dollar effect of the conversion transaction. (An adjustment will be shown as necessary to record the difference between the dollar equivalent so derived for the currency acquired and the dollar equivalent derived by translating the acquired currency at the Treasury Reporting Rate for the country of acquisition).

### **3230.20d—Uniform Exchange Rates**

Translations of foreign currency units to U.S. dollar equivalents will be made at exchange rates which are uniform throughout the government with respect to specified categories of accounts or transactions, and with respect to given periods of time as specified in section 3230.20c.

### **3230.30—Loans and Certain Other Receivables**

These procedures are applicable to loans and to other receivables with original maturities of one year or more (referred to as loans) which are:

- Denominated in currency units,
- Repayable exclusively in foreign currencies, and
- Repayable optionally in foreign currencies if the option rests with the debtor.

For loans denominated in currency units or otherwise fixed as to the number of currency units receivable, the current value should equal the fixed number of units receivable translated at the Treasury Reporting Rate prescribed for the date of the balance. For loans denominated in dollars under maintenance of value agreement, the current value should equal the outstanding dollar denominated amount multiplied by the ratio of the agreement rate to the Treasury Reporting Rate. Both rates will be as of the date of the balance.

In addition to current values, statements of loans outstanding will generally show historical values which relate the balances to the transactions which generated the loans. The differences between historical values and current values will be shown as valuation adjustments.

Reporting requirements for loans and certain other receivables are described

in [TFM Volume I, Part 2, Chapter 4500](#).

## **Section 3235—Foreign Currency Conversions**

### **3235.10—Conversion of Currencies**

FS Form 6911 "Foreign Currency Conversion and Transfer Voucher" will be used by entities for reporting the amount of foreign currencies (in Treasury X7000 accounts) available in excess and near excess currency countries for conversion to currencies of another country or to dollars. Where the supply of a non-restricted currency is great enough to more than meet U.S. requirements for the next two years (exclusive of requirements financed by restricted or reserved currencies), the currency is designated as excess by the Department of Treasury. Where the supply of currencies is above the immediate needs of the U.S. Government but not sufficient for the country to be declared excess, the currency is designated as near-excess by the Department of the Treasury. Conversions are limited to loan repayments under Title I of Public Law 480, under agreements stipulating two percent convertibility. Amounts available under these agreements, as well as any future agreements with convertibility provisions, should be submitted to Treasury on FS Form 6911 each time the balance of convertible currencies in any excess or near excess currency country reaches the U.S. equivalent of approximately \$10,000. When the FS Form 6911 is received in Treasury and where the U.S. holdings of a particular currency warrant, Treasury will transmit the form to the disbursing officer for necessary action. The FS Form 6911 will be submitted in an original and one copy to Treasury (see Contacts). The forms should be numbered consecutively, prefixed by the entity code (e.g., 72-1, 72-2, and so forth).

## **Section 3240—Foreign Currency Fund Account Symbols, Titles, and Descriptions**

### **3240.10—System of Foreign Currency Fund Accounts**

All accounts are identified with applicable fund groups and classified within fund groups through the assignment of alphanumeric symbols, the last three-digits of which will be assigned within the blocks shown in the following table. For the purpose of this sub-section, these three-digits of the symbol will be referred to as the "main symbol." The symbol assigned to an account is determined after consideration of the government's relationship to the source of the receipt and the availability of the currency for expenditure or other purposes. An "X" immediately preceding the main symbol is used to identify foreign currency funds which are handled outside the regular dollar accounts of the government. A three-digit index number is assigned to identify the entity responsible for the account. This index number is included as the first three-digits of the symbol assigned to an account by Treasury. When one entity administers all or part of a program on behalf of another entity, the account will show both entity index numbers. The first three index numbers designate the performing entity, and the next three index numbers designate the authorizing or parent entity.

Foreign currency account symbols and titles will be assigned in accordance with guidance issued in [TFM Volume I, Part 2, Chapter 1500](#): *Description of Accounts*

**3240.10—Foreign Currency Fund Account Classifications**

<b>Account Classification</b>	<b>From</b>	<b>Through</b>
Sales Accounts	100	499
Program Accounts (United States Use Accounts)—Not requiring appropriations	500	599
Holding Accounts	600	699
Program Accounts (Country Use Accounts)—Not requiring appropriations	700	899
Advances of Unfunded Foreign Currencies (Sales Accounts)	900	- - -

**3240.20—Sales Accounts**

There are two general types of sales accounts as follows:

- Accounts established for non-restricted currencies which are available for sale to any government entity for official uses. The dollar expenditure equivalents of these currencies are charged to the appropriations and the resulting dollar proceeds are credited to receipt, appropriation, or fund accounts. These non-restricted currencies are also available for accommodation exchange and for sales to U.S. citizens and non-profit organizations for travel and other purposes in selected countries.
- Program accounts (requiring appropriations) established for restricted currencies which are available for use only in connection with particular programs. The dollar expenditure equivalents of these currencies are charged to the appropriations and the resulting dollar proceeds are credited to receipt, appropriation, or fund accounts. These program accounts are further identified by the assignment of a three-digit suffix (e.g., 191) to the main symbol to designate the entity authorized to use the currencies.

**3240.30—Program Accounts Not Requiring Appropriations**

Program accounts not requiring appropriations are established for restricted currencies which are available for use only in connection with particular programs. These currencies are authorized to be expended without charge to

dollar appropriations of entities. Within this group, symbols are assigned as follows: (1) main symbols from 500 through 599 are used primarily to designate United States use accounts, and (2) symbols from 700 through 899 are used primarily to distinguish country use accounts.

#### **3240.40—Holding Accounts**

Holding accounts are used generally when the specific availability of currencies is not known at the point of collection. When the availability is determined, Treasury issues transfer authorizations moving the currencies from the holding account to one of the three categories of accounts described above.

#### **3240.50—Advances of Unfunded Foreign Currencies Account**

This account (20X7900) is a special type sales account administered by Treasury for the purpose of making available all foreign currencies acquired, including currencies dedicated for specific programs (not requiring appropriations), by authorizing the use of these currencies for any program, subject to replacing such currencies when needed for the specific program.

#### **Section 3250—Preparation and Distribution of the X7000 File**

The X7000 files will be used by disbursing officers to report their X7000 accountability and transactions.

Detailed instructions on the preparation and distribution of the X7000 file accountability are contained in Part IV of the Foreign Affairs Manual issued by the Department of State with the concurrence of the General Accounting Office and the Department of the Treasury.

#### **Section 3260—Reconciliation of Foreign Currency Accounts**

Entities must perform, on a monthly basis, reconciliation of amounts posted to their GLs for foreign currency. Each entity should compare transactions reported by its USDO to internal records that support postings to its GL. Some tools that entities should use for reconciliation include the following:

- Standard Form (SF) 1221: Statement of Accountability (According to Appropriations, Funds, and Receipt Accounts Foreign Service Account)—The Department of State provides a detailed SF 1221 to entities, on a monthly basis, that lists transactions posted to X7000 foreign currency accounts.
- CARS Account Statement: Federal Program Agency's (FPA) Fund Balance with Treasury—The information provided by the State Department also is provided to Treasury in summary and is available to entities on their CARS Account Statement. Contact the Funds Management Branch if there is a discrepancy (see Contacts).
- Adjusted Trial-Balance (ATB)—Each entity should perform reconciliation of foreign currency balances reflected on its ATB to those reflected in its GL. Entities can obtain a copy of their ATBs through GTAS.

Foreign Currencies Held by the U.S. Government (FC Held)—Each entity also should perform reconciliation between the balances reflected in its GL and balances reported in Treasury's Foreign Currencies Held by the U.S. Government, published as of March 31 and September 30 of each fiscal year.

### Contacts

Direct inquiries concerning this chapter to:

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Email: [FCReports@fiscal.treasury.gov](mailto:FCReports@fiscal.treasury.gov)

Direct inquiries concerning the ATB and GTAS to:

Department of the Treasury  
Bureau of the Fiscal Service  
Fiscal Accounting  
Financial Reports and Advisory Division  
257 Bosley Industrial Park Drive  
Parkersburg, WV 26101  
Email: [gtas.teams@fiscal.treasury.gov](mailto:gtas.teams@fiscal.treasury.gov)  
[ATB and GTAS Contact List](#)

Direct inquiries concerning USSGL reporting to:

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[USSGL Contact Link](#)

### Summary of Updates

Section No.	Section Title	Summary of Change
3200	Foreign Currency Accounting and Reporting	Updated content/information

3215	Definitions	Added verbiage and hyperlinks redirecting readers to the TFM Glossary
3220	Reporting Requirements	Updated content/information
3225	Administration of Foreign Currency	Updated content/information
3230	Translating Foreign Currencies to U.S. Dollar Equivalentents	Updated content/information
3235	Foreign Currency Conversions	Updated content/information
3240	Foreign Currency Fund Account Symbols, Titles, and Descriptions	Updated content/information
Contacts	Contacts	Updated POCs, addresses, telephone numbers, and emails