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# Treasury Financial Manual

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## Chapter 4000

### REQUIREMENTS FOR NON-TREASURY DISBURSING OFFICERS (NTDOs)

This chapter addresses requirements for NTDOs.

#### Section 4010—Scope and Applicability

This chapter addresses applications and payment-related processes that reside under the authority of the Department of the Treasury's (Treasury's) Bureau of the Fiscal Service (Fiscal Service), Payment Management, when payments are not processed by Fiscal Service. NTDOs must adhere to the letter and intent of the authorities, processes, and rules outlined in TFM Volume 1, Part 4A, Chapter 4000 (I TFM 4A-4000) for the creation, issuance, and reporting of transactions.

#### Section 4015—Authority

31 U.S.C. § 3321(c)

#### Section 4020—Rules for Non-Treasury Disbursing Officer Report for Daily Disbursement Forecasting

All NTDOs must report to Treasury **on a daily basis** their anticipated aggregate level of planned disbursements for each disbursing method [for example, wire, Automated Clearing House (ACH), or check] for the following five day period. These reports are due to Treasury each business day by 3 p.m. Eastern Time. Each entity that performs its own disbursing should submit one consolidated report each day.

Each NTDO must submit a consolidated agency disbursement report no later than 3 p.m. Eastern Time each business day. Fiscal Service has prepared a template to standardize the reporting of this information. NTDOs can access the report template and instructions for completing the report at

<https://www.fms.treas.gov/ntdo/index.jsp>

Fiscal Service will review NTDO compliance and will report to NTDOs on the status of their compliance. Fiscal Service will provide assistance to NTDOs not in compliance or those requesting assistance with proper reporting.

#### 4020.10—Rules Under Government Fiscal Crisis

In the event of a government budget year transition or debt ceiling constraint, Treasury will invoke rules for the processing of payments that flow through the Federal Reserve Banks (FRBs) and debit the U.S.

Treasury's General Account (TGA).

Rules to follow under a government budget year transition or debt ceiling constraint include:

- A NTDO will only be able to send files to FRB ACH one business day before payment date for "next day" payment scheduling. This means that no government payments will be processed with an effective payment date beyond the next business day.
- All NTDO should segregate their originated ACH files into credit only and debit only files.
- NTDOs must start inserting the Application Identifier (APPL ID) "CHKS" into their ACH file Header Record. Upon transmission of an ACH file to FedACH. NTDOs must send an accompanying transmittal to the FedACH Operations Contact. The transmittal to the FedACH must:
  - Be signed by an authorized signatory on file with FedACH
  - Include the file ID Modifier for each file transmitted
  - Include the NTDO's originating and sending point Routing and Transit Number (RTN)
  - Include the total dollar amount for each file transmitted
- All NTDO ACH file transmissions must be completed by 3:30 pm ET to ensure files have been properly positioned at the FedACH.
- The FedACH application is set up to automatically pend incoming files based on the Application Identifier (APPL ID-- "CHKS"). CHKS pended files are held over at End of Day (EOD) and can roll to the next day for up to 25 processing days.
- All NTDOs are to send corresponding informational spreadsheets of their pended "CHKS" ACH files to NTDOstatus2@fiscal.treasury.gov by 3:30 pm ET.
- If Treasury does not instruct the FRB to release the file at the end of 25 business days, then the file may be purged. In the event that a file is purged, the NTDO must have the ability to resubmit or to create a new payment file.
- Treasury may instruct the Federal Reserve to disable Fedwire capabilities for NTDOs depending on the available balances in the TGA. Treasury will work with NTDOs and the Federal Reserve regarding issuance of Fedwire payments.
- Treasury may instruct NTDOs who issue Treasury checks to hold for release all Treasury Checks and to start sending informational spreadsheets of their daily Treasury Check Payments to NTDOstatus2@fiscal.treasury.gov by 3:30 pm ET.

## **Section 4025—Submission of Vouchers to DOs Other Than Treasury DOs**

Agencies must submit the original and one copy of the basic vouchers prepared on government standard forms or on forms otherwise specifically authorized; invoices, bills, or statements of account serving as basic vouchers, to the DO for payment processing. The DO records the payment data on both the original and the copy of the voucher. The DO submits the original voucher as accounting support for the payment transaction and retains the voucher copy for the accounting document files.

### **4025.10—Use of Invoices in Place of Vouchers**

NTDOs are not required to use the Secure Payment System (SPS) for disbursements, subject to requirements set by the appropriate disbursing office. Vendors' invoices, bills, or statements of account may

be used as basic vouchers, in place of the prescribed vouchers, in support of the agency's accounts and accountability statements, provided they show all the information required in Title 7 of the Government Accountability Office (GAO), *Policy and Procedures Manual for Guidance of Federal Agencies*.

## **Section 4030—Governmentwide Accounting**

If agencies are not “Central Accounting Reporting System (CARS) Reporters” because they do not report classification at initiation of the payment or through the Payment Information Repository (PIR), then they will report payment disbursements to an appropriation on the:

- Statement of Transactions (224);

or one of the following:

- SF 1218: Statement of Accountability (Foreign Service Account);
- SF 1219: Statement of Accountability;
- SF 1220: Statement of Transactions According to Appropriations, Funds, and Receipt Accounts;
- SF 1221: Statement of Transactions [According to Appropriations, Funds, and Receipt Accounts (Foreign Service Account)].

See [TFM 2-3200](#) for additional information on reporting foreign currency payments.

### **4030.10a—Agencies Using Eight-Digit ALCs**

Agencies using eight-digit ALCs report foreign currency disbursements to an appropriation on their Statement of Transactions (224).

### **4030.10b—Agencies Using Four-Digit ALCs**

Agencies using four-digit ALCs do not report foreign currency disbursements on their Statement of Transaction (224). Instead, they report a charge to the agency appropriation indicated on SF 1166: Voucher and Schedule of Payments, for these disbursements on a SF 1221. An agency receives confirmation of the disbursement of foreign currency payments and the amounts of the U.S. dollar equivalent of those payments. These reports include:

- The SF 1221, providing summary charges to agency appropriations for the amount of the U.S. dollar equivalent of the payments disbursed; and
- The Voucher Auditor's Detail Report, providing detailed information (including check number, amount, and issue date) on each payment disbursed.

For additional information on reporting, see TFM Volume 1, Part 2, Chapter 3100 ([TFM 2-3100](#)) and TFM Volume 1, Part 2, Chapter 5100 ([TFM 2-5100](#)).

All agencies must use CARS and shall submit the Treasury Account Symbol (TAS)/Business Event Type Code (BETC) reporting classification of each payment.

All federal agencies not using Treasury disbursing office services must submit disbursement related transaction information through PIR to CARS.

All agencies who have converted to CARS Payment Reporter must submit a valid TAS/BETC combination at the point of initiation. Adjustments can subsequently be made using the CARS Classification Transaction Accountability (CTA) module. Fiscal Service reference data for TAS/BETCs can be found at the Shared Accounting Module (SAM) website at <https://www.sam.fms.treas.gov/sampublic/>

## **Section 4035—Payment Information Repository (PIR)**

PIR is a payment reporting tool that supplies the latest information on disbursements and the detail of payment transactions for federal agencies.

Agencies that disburse their payments through FRBs must access PIR to view all payment related debit vouchers and credit vouchers. See [https://www.fiscal.treasury.gov/fsservices/gov/pmt/pir/pir\\_home.htm](https://www.fiscal.treasury.gov/fsservices/gov/pmt/pir/pir_home.htm) for enrollment procedures for accessing PIR.

PIR is the vehicle for NTDOs to report their payment TAS/BETCs to CARS. With the exception of transactions that are specifically identified by Treasury as not going through PIR, all NTDOs with payments, or other debit activities that affect the TGA, must report to Treasury payments and/or any returned payments through PIR.

NTDO agencies must report their payment TAS/BETC classifications daily on the date of the payment through PIR using the Standard Reporting Format (SRF).

See [https://www.fiscal.treasury.gov/fsservices/gov/pmt/pir/pir\\_home.htm](https://www.fiscal.treasury.gov/fsservices/gov/pmt/pir/pir_home.htm). The PIR will report summarized TAS/BETCs to CARS.

Agencies that issue Treasury checks will no longer submit their check issues files using the current Treasury Check Information System (TCIS) format once they are reporting through PIR. NTDOs that issue checks and report them monthly on the check issues file to TCIS will move to daily reporting of checks to PIR using the PIR SRF. PIR files containing check payments will be consumed by both PIR and TCIS. The requirements and rules for check issue reporting as outlined in the PIR SRF replace the requirements in TFM Volume 1, Part 4, Chapter 6000 ([TFM 4-6000](#)), subsections 6020.10 through 6025.10, 6040.10, and 6045.10. For information on submitting claims for nonreceipt of checks drawn on the U.S. Treasury, see TFM Volume 1, Part 4, Chapter 7000 ([TFM 4-7000](#)).

### **4035.10—Submission of Files**

As outlined in the PIR SRF, agencies must submit the files to PIR by 7:00 pm Central Time on the date of payment. The “date of payment” is defined below for various methods of payment.

- **Check Payments**—The date of payment is the issue date of the check (the date inscribed on the check). Files containing check payments will be consumed by both PIR and TCIS. Additional information on TCIS can be found at [https://www.fiscal.treasury.gov/fsservices/instit/pmt/tcis/tcis\\_home.htm](https://www.fiscal.treasury.gov/fsservices/instit/pmt/tcis/tcis_home.htm). All validation messages for check payment files are communicated via the Transmittal Control and Disbursing Office Maintenance System.
- **ACH (original and return) Payments**—The date of payment is the settlement date of the ACH

transaction, which is in the acknowledgement received from FedACH.

- **Wire and International ([ITS.gov](https://its.gov)) Payments**—The date of payment is the value date specified in the payment request.

#### **4035.20—PIR Standard Reporting Format (SRF)**

Agencies use the PIR SRF to submit one or more files, each containing one or more batches. A batch is described below based on the method of payment.

- **ACH (original payment and returns), Wire, International ([ITS.gov](https://its.gov))**—All transactions that are accounted for with a single voucher (SF 5515/SF 215) should be included in a batch.
- **Check**—All checks issued with the same DO symbol and sequential contiguous serial numbers should be included in a batch. This represents the current issue file sent by NTDOs to TCIS.

**Note:** Agencies that do not submit payments with the TAS/BETC classified on the SRF on the date of payment will have their vouchers default in CARS to the default TAS/BETC defined in SAM for payment transactions. Then, the agency must reclassify the voucher in the CARS Classification Transaction Accountability (CTA) module. Agencies must clear the default account by the third workday after month-end or it negatively impacts the quarterly scorecard that is sent to agencies' Chief Financial Officers.

**Note:** Only the Department of Defense may receive a waiver from the timely reporting of payment transactions when ships or active service units are operating under “brown-out” or “silent running” conditions, where nonmission critical transmissions are prohibited.

#### **Section 4040—Delegated Disbursing Authority**

In accordance with 31 U.S.C. § 3321(b), this section prescribes procedures and policies by which Fiscal Service delegates to officers and employees of other federal agencies the authority to disburse public money. It is consistent with Fiscal Service's continuing oversight over agencies that are delegated disbursing authority.

This section does not pertain to federal agencies that are granted authority to disburse public money by statute. See 31 U.S.C. § 3321(c).

#### **4040.10—Standards for Delegating Disbursing Authority**

Fiscal Service delegates disbursing authority in limited cases for purposes of “economy and efficiency,” consistent with the requirements of 31 U.S.C. § 3321(b). Thus, Fiscal Service approves an executive agency's request for delegated disbursing authority only if, among other things:

- An agency requires a particular level of service for disbursing funds that Fiscal Service cannot provide;
- The delegation would be more efficient and cost effective to the federal government and the public;
- The agency's needs preclude the cash management needs of the Treasury; and

- The requesting agency submits its request for delegated disbursing authority, in writing, to Treasury's Chief Disbursing Officer (CDO). The request must be on agency letterhead and must be signed by the head of the agency or his or her designee. The letter must include adequate documentation of the agency's business need for delegation and must provide assurance to Treasury that the agency, if the delegated disbursing authority, will maintain effective internal controls and will comply with pertinent security guidelines.

#### **4040.20—Delegated Disbursing Authority Document**

In limited cases when Fiscal Service, in its sole discretion, determines that an agency has met the requirements to be delegated disbursing authority, Fiscal Service executes a written Delegated Disbursing Authority Document. The Delegated Disbursing Authority Document sets forth specific terms, conditions, and limitations of the particular delegation.

Fiscal Service has the authority to amend the specific terms of the Delegated Disbursing Authority Document, as necessary and appropriate. Before Fiscal Service finalizes any amendment, it provides advance notice to the agency, in writing, setting forth the specific purpose and reasons for the proposed amendment. Fiscal Service gives the agency the opportunity to submit comments on any proposed amendment. However, Fiscal Service retains sole decision-making authority to finalize amendments to the Delegated Disbursing Authority Document.

#### **4040.30—Authorities of Treasury's CDO**

When Treasury's CDO delegates disbursing authority to an agency in accordance with 31 U.S.C. § 3321(b), the CDO:

- Maintains oversight authority over the disbursing function as demonstrated, in part, by the terms of this chapter. Consistent with this authority, the CDO retains the authority to revoke an agency's disbursing authority delegation.
- Has the right to require that the agency's operations be inspected and examined to ensure compliance with delegated disbursing authority requirements.
- Prescribes and approves procedures for disbursing functions as outlined in this section of the TFM; TFM Volume 1, Part 4A, Chapter 2000 ([I TFM 4A-2000](#)), Section 2045, for agencies with authority to disburse imprest funds; and the [Agency Self-Certification Guide](#) at [http://tfm.fiscal.treasury.gov/v1/announc/agency\\_self-certification\\_guide\\_v13.pdf](http://tfm.fiscal.treasury.gov/v1/announc/agency_self-certification_guide_v13.pdf)
- Requires agencies to obtain a third-party assessment of the need for the delegated authority;
- Requires agencies with delegated disbursing authority to submit immediately to the CDO any irregularity in their accounts involving such disbursement activity.

#### **4040.40—Responsibilities and Liabilities of an Agency With Delegated Disbursing Authority**

An agency that is delegated disbursing authority by the CDO under 31 U.S.C. § 3321(b) assumes significant responsibilities and liabilities, including but not limited to:

- Following the disbursing official and cashier guidelines as set forth under 31 U.S.C. § 3322, §

3325, and § 3528.

- Full accountability and liability for all disbursements issued under the delegation. The agency must not delegate the duties and functions related to the delegation to another party without consultation and prior written approval by the CDO.
- Reporting of all disbursements made under the delegation in the agency's payment accounting reports to Fiscal Service, using the appropriate agency accounting codes, as authorized by Fiscal Service. The agency must submit immediately to the CDO any irregularity in accounts involving disbursement activity. Furthermore, the agency must resolve any irregularities or discrepancies associated with such reports.
- Periodically obtaining the services of a third party to assess the need for the delegated authority. This agency report will be provided to Treasury.

In addition, an agency with delegated disbursing authority must practice effective security and internal control measures as prescribed by Fiscal Service (in Treasury Directive No. 71-10), GAO, and the Office of Management and Budget (OMB).

#### **4040.50—Oversight Requirements**

##### **4040.50a—Review and Self-Certification Reporting Requirements**

Every two years, the agency with delegated disbursing authority must conduct a review of its disbursing operations to ensure compliance with the following:

- Requirements set out in any applicable Delegation of Disbursing Authority Document executed in accordance with subsection 4040.20;
- Pertinent statutory, regulatory, and TFM requirements;
- The Federal Managers' Financial Integrity Act of 1982 (FMFIA), Public Law No. 97-255 (31 U.S.C. § 3512); and
- The Federal Financial Management Improvement Act of 1996 (FFMIA), 31 U.S.C. § 3512, note.

Following such review, agencies must submit a self-certification report to Fiscal Service stating whether or not they comply with these requirements. Fiscal Service advises agencies of the due date of these reports and provides them with the self-certification template to be included in the report. To the extent that an agency cannot certify that it complies with a specific requirement, the report must document the agency's planned corrective action to achieve compliance within an identified timeframe.

The self-certification form focuses solely on FMFIA, Section 2 reports (internal controls) and Section 4 reports (financial management systems). See 31 U.S.C. § 3512(d)(2) and (d)(2)(B); also see OMB Circular Nos. A-123 and A-127 for further information on Section 2 and Section 4 requirements. Specifically, an agency must self-certify that its Section 2 and Section 4 reports provide reasonable assurance that the agency is in compliance with FMFIA, Section 2 and Section 4 requirements. To the extent that an agency self-certifies "noncompliance" or "qualified assurance" with Section 2 and Section 4 requirements, it must identify all material weaknesses and corrective action plans to achieve compliance within an identified timeframe.

Section 803(a), which requires each agency to “implement and maintain financial management systems that comply substantially with federal financial management systems requirements.” Specifically, the agency must certify that it complies with FFMA, Section 803(a) requirements, if applicable, and that this determination has been verified by independent audit, as referenced under FFMA, Section 803(b). See 31 U.S.C. § 3512, note. To the extent that an agency self-certifies “noncompliance” with Section 803(a), it must identify “resources, remedies, and intermediate target dates necessary to bring the agency’s financial management systems into substantial compliance” with Section 803(a). See FFMA, Section 803(c)(3) discussing the requirement for a remediation plan to achieve compliance.

The self-certification form includes a checklist and appropriate space for the agency to provide information on corrective or remediation plans, if necessary. Fiscal Service provides guidance to agencies on format and procedures for submitting the self-certification report in the agency compliance self-certification guide at [http://tfm.fiscal.treasury.gov/v1/announc/agency\\_self-certification\\_guide\\_v13.pdf](http://tfm.fiscal.treasury.gov/v1/announc/agency_self-certification_guide_v13.pdf)

#### **4040.50b—Risk Assessment**

When an agency’s self-certification report indicates the agency is not in compliance with one or more stated requirements, Fiscal Service, in its sole discretion, may determine it is necessary that a risk assessment of the agency’s disbursing system be conducted. In making such a determination, Fiscal Service may consider such factors as the status and utility of the corrective and remedial plans identified by the agency to achieve compliance. The risk assessment is intended to evaluate, among other things, agency-identified deficiencies or material weaknesses in financial management systems, operations, and accounting and reconciliation procedures that may adversely affect the agency’s disbursing performance. The agency develops, and submits to Fiscal Service, a plan for conducting the risk assessment. The plan must identify the party who will conduct the assessment. Risk assessments are conducted in accordance with Fiscal Service’s risk assessment guide or another guide that meets Treasury’s standards and is approved by Fiscal Service. At Fiscal Service’s discretion, agencies must provide Fiscal Service with a copy of their FMFIA, Section 2 and Section 4 reports; FFMA, Section 803(a) reports; and other audit information as part of any risk assessment.

#### **4040.50c—Failure To Submit Required Self-Certification Reports and Information Required by a Risk Assessment**

If an agency does not comply with the review and self-certification reporting requirements provided under subsection 4040.50a, or does not respond to requests for information in connection with a risk assessment as provided under subsection 4040.50b, Treasury’s CDO notifies the agency, in writing, of a final date certain for complying with such requirements. The CDO reserves the right to revoke the agency’s disbursing authority delegation in accordance with subsection 4040.30, if the agency fails to respond adequately to the terms of this written notice by the indicated final date certain.

#### **4040.60—Termination of Delegated Disbursing Authority**

The CDO may terminate an agency’s delegation of disbursing authority if Fiscal Service determines, in its sole discretion, that:

- The risk assessment conducted under subsection 4040.50b warrants such action;
- The agency fails to respond adequately to the terms of the written notice from the CDO, referenced in subsection 4040.20;

- A third-party review indicates that the agency's need for delegated authority no longer exists, referenced in subsection 4040.40;
- The agency fails to comply with any of the responsibilities and liabilities of an agency with delegated disbursing authority, including but not limited to, those responsibilities and liabilities listed under subsection 4040.40; or
- The agency fails to comply with the terms of the Delegated Disbursing Authority Document executed under the authority of subsection 4040.20.

In addition, the CDO periodically reviews whether the agency continues to meet the standards for delegation of disbursing authority as set forth under 31 U.S.C. § 3321(b) and subsection 4040.10. The CDO may terminate an agency's delegation of disbursing authority when Fiscal Service determines, in its sole discretion, that the agency no longer meets such standards.

The CDO notifies the agency, in writing, that its delegation of disbursing authority is being terminated. Before any termination action is taken, Fiscal Service and the agency work together to resolve all outstanding questions and issues. If this effort is unsuccessful, Fiscal Service consults with the agency to determine an appropriate effective date for termination and the resumption of Treasury disbursement services. In determining the effective termination date, Fiscal Service and the agency consider the mission of the agency and the needs of its payees. If Fiscal Service and the agency cannot reach a mutual decision on the effective date for termination, Fiscal Service determines the effective date and notifies the agency.

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