



Treasury Financial Manual

Bulletin No. 2016-04

Retention: May 31, 2017

To: Heads of Government Departments, Agencies, and Others Concerned

Subject: Reporting Suspense Account Activity Using F3875 and F3885 and Using Default Accounts F3500 and F3502 as a Central Accounting Reporting System (CARS) Reporter

1. Purpose

This Treasury Financial Manual (TFM) bulletin outlines the options and guidance now available for Federal Program Agencies (FPAs) to:

- Report transactions that they are unable to classify to the proper Treasury Account Symbol (TAS) at the point of origin. Amounts in clearing/suspense accounts should not be used to make outlays or payments.

In addition, this TFM bulletin provides reporting guidance for the Shared Accounting Module (SAM) default clearing accounts F3500 for proprietary payments and collections and F3502 for Intra-Governmental Payment and Collection (IPAC).

2. Authority

According to 31 U.S.C. 3513, the Secretary of the Treasury must prepare reports on the financial operation of the U.S. Government. In addition, the head of each executive agency must furnish accurate reports and information on the financial condition and operations of the agency, if requested by the Secretary of the Treasury.

3. Rescission

This bulletin rescinds:

- TFM Volume I, Bulletin No. 2011-06: Reporting Suspense Account Activity Using F3875 and F3885 and Using Default Accounts F3500 and F3502 as a Governmentwide Accounting (GWA) Reporter

4. Background

The Bureau of Fiscal Service's (Fiscal Service) CARS group strives to provide FPAs with a reliable and

efficient system to report financial information, maintain data integrity, and streamline central accounting, reporting, and reconciliation processes. This objective requires that:

- Fiscal Service capture program-level spending or collections on a real-time or near real-time basis;
- FPAs convert to CARS reporters by classifying collection and disbursement transaction activity to the proper TAS at the time the transaction is executed (at the point of origin or when the collection is made).

To help accomplish these objectives, Fiscal Service is using SAM. SAM is an application that facilitates the process of validating or deriving TAS and Business Event Type Code (BETC) combinations to assist in classifying financial transactions as they occur.

Since 2011, Fiscal Service has mandated FPAs to become CARS reporters; and has worked with numerous FPAs that have converted to this reporting method. However, in some instances, converting to the new reporting method required FPAs to change business practices, and changing those business practices has required more time than originally anticipated. Fiscal Service continues to move FPAs to the new and more efficient accounting and reporting system.

Fiscal Service has issued TFM releases that addressed new policy changes regarding the use of suspense accounts. While Fiscal Service's objective and intent remain the same and with the unequivocal need to accelerate the implementation and functionality of CARS, Fiscal Service has reexamined using suspense accounts F3875 and F3885. Additionally, Fiscal Service staff members have held agency forums addressing the use of default accounts F3500 and F3502 for CARS reporters.

5. Accounting and Reporting Requirements

A. Continuing Use of Suspense Accounts F3875 and F3885 for Reporting Suspense Account Activity

Fiscal Service has stated in previous guidance that suspense accounts F3875 and F3885 would be discontinued unless an FPA obtained an approved waiver. Because of new Fiscal Service business practices and the need for FPAs to become CARS reporters, suspense accounts F3875 and F3885 will **not** be discontinued. FPAs can continue to use these suspense accounts with discretion and utilize existing guidelines for CARS transaction reporting.

Consistent with OMB A-11 guidance, FPAs can use clearing accounts to temporarily account for transactions that belong to the government until the transaction is matched to a specific receipt or expenditure account. FPAs should not use clearing/suspense accounts for outlays or payments; or to mask an over obligation or over expenditure of an expenditure account.

B. Suspense Account Request

FPAs with a justifiable business need for suspense accounts may submit a request to Fiscal Service for the use and/or reopening of suspense account F3875 and/or F3885. In these instances, a justifiable business need can be the inability of FPAs to classify **all** transactions at the point of origin. If one transaction suspends during processing because the correct account is unidentifiable, then an FPA has a justifiable business need to request the use of suspense account F3875 and/or F3885. FPAs that want to obtain an "F" account per the new guidance outlined in this bulletin, must submit a request to Fiscal Service indicating the number of accounts required, based on the FPA's current needs.

The request must:

- Be submitted by the Chief Financial Officer (CFO), or CFO designee, at the department level for the bureau(s) that has a justifiable business need.
- Include a statement that the CFO agrees to annually certify (electronically) that the balance(s) in suspense account F3875 and/or F3885 for the preceding year-end does not include any items or transactions more than 60 days old. If there are transactions more than 60 days old, the FPA must clearly explain the reason in the annual electronic certification.
- Provide an email address and contact information for the person who will be submitting the electronic certification referenced above.
- Be emailed to budget.reports@fiscal.treasury.gov.

Note: If an FPA has only one TAS, a request to use suspense account F3875 and/or F3885 is not necessary or permitted.

Fiscal Service will accept each FPAs request including the agreement to reclassify transactions/amounts temporarily placed in suspense accounts to the proper TAS within 60 business days of the transaction. Fiscal Service will acknowledge receipt of the FPA requests by email. FPAs can expect to receive the email within 30 days. Fiscal Service may reconsider requests at any time. Fiscal Service will accept only TAS that are valid and appropriate for use in IPAC. FPAs may review a list of the valid TAS/BETCs for IPAC on the Fiscal Service website at www.fiscal.treasury.gov/fsservices/gov/acctg/cars/cars_home.htm.

CFOs (or the CFOs' designee) must certify the balances in suspense accounts F3875 and F3885 to Fiscal Service annually, at year-end. Fiscal Service's Year-end Closing bulletin, normally issued each year in July, provides information on submitting the certifications for the suspense accounts. See the TFM Volume I bulletin at tfm.fiscal.treasury.gov/v1/bull.html.

Note: Fiscal Service may incorporate performance measures at a later date for the timely submission of CFO certifications.

C. SAM Default Accounts F3500 and F3502

Fiscal Service has established SAM default accounts F3500 and F3502 for each major agency department for payments and collections and IPAC transactions. The accounts were specifically established to:

- Facilitate systematic cashflows; and
- Temporarily classify or hold unidentified general, revolving, special, or trust fund transactions that have system defaulted as a result of an incomplete or invalid TAS or missing classification keys submitted by CARS reporters through payment or collection feeder systems into CARS.

CARS will automatically post the invalid or missing TAS to a SAM default account. FPAs must clear the SAM default accounts within the specified timeframe. They must correctly reclassify **all** system defaulted transactions to a valid receipt or expenditure TAS by the third business day following the close of the accounting month. If the FPA does not clear the SAM default account timely, it will receive contact from Fiscal Service's Cash Accounting Division regarding the incomplete reporting for immediate resolution.

For payment and collection systems, the SAM default TAS is XXXF3500¹. [¹ In this instance, the standardized component TAS structure consists of a three-digit agency identifier (XXX), availability type

code (F), and main account code (3500) — XXXF3500.] The applicable BETCs for defaulted payment system transactions are DISBBCA [for debit transactions that decrease the TAS fund balance with Treasury (FBWT)] and DISBBCAJ (for credit transactions that increase the TAS FBWT). The applicable BETCs for default collection system transactions are COLLBCA (for credit transactions that increase the TAS FBWT) and COLLBCAJ (for debit transactions that decrease the TAS FBWT).

For IPAC transactions, the SAM default TAS is XXXF3502². [In this instance, the standardized component TAS structure consists of a three-digit agency identifier (XXX), availability type code (F), and main account code (3502) — XXXF3502.] CARS reporters must use this TAS with the appropriate BETC to report reclassification transactions to Treasury. There are four applicable BETCs for IPAC. Reporters that only have typical collection and disbursement activity most likely will select DISBBCA as the default debit BETC and COLLBCA as the default credit BETC with TAS XXXF3502.

If an FPA cannot classify the entire balance that has defaulted to the SAM account correctly, the FPA may reclassify the balance to the corresponding suspense account F3875 and/or F3885. It must clear these “F” account entries within 60 business days of the transaction, per current policy.

Note: FPAs cannot use the SAM default accounts for an original classification on the Statement of Transactions (224), FS Form 1220, and FS Form 1221. These SAM default accounts are to be used only on Statement of Transactions (224) when CARS reporters are clearing/reclassifying SAM defaulted transactions in the Classification Transaction and Accountability Module of CARS.

D. Performance Measures

In the near future, Fiscal Service will begin associating performance standards with an FPA's use of suspense accounts F3875 and F3885 based on percentages. On a quarterly basis, Fiscal Service will issue scorecard ratings and notifications to agency CFOs on the FPA's use of suspense and default accounts. Also, Fiscal Service will measure, based on performance, efforts by agencies to clear associated SAM default accounts F3500 and F3502 by the third business day of the month.

In regard to reclassifying suspense/default accounts, Fiscal Service's notification to agency CFOs will consist of a quarterly performance scorecard rating issued at the department level. Fiscal Service will base the performance scorecard rating on a percentage of the total offsetting collection or payment transaction volume as reported on the Statement of Transactions (224) for the same qualifying quarter. Fiscal Service will use the following performance measures in the notification:

- 5 percent or less—Green
- 6 to 9 percent—Yellow
- 10 percent or more—Red

Note: Fiscal Service rounds the percentage to the nearest whole number.

For example, an FPA reports \$1,000 each month for one quarter. If the amount of new transactions classified to suspense account F3875 for that quarter is:

- \$145, then Fiscal Service will issue a green scorecard rating;
- \$210, then Fiscal Service will issue a yellow scorecard rating; or

- \$450, then Fiscal Service will issue a red scorecard rating.

The implementation of performance measures for “F” account balances became effective January 1, 2012, measuring first-quarter fiscal 2012 reporting.

6. References

The following references provide additional guidance:

- SAM website (www.fiscal.treasury.gov/fsservices/gov/acctg/sam/sam_home.htm).

7. Effective Date

This bulletin is effective immediately.

8. Inquiries

Direct questions concerning this bulletin to the contacts below (email or fax is preferred over a mailed request):

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